Whither Relief Load? (Page 20)

THE FINANCIAL POST

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The Nation's Business

Hepburn Should Follow Up His Grandstand Play

C.C.F. Platform Has Far-Reaching Implications

Collection Racketeering

WHEN Premier Hepburn nipped his birthday party in the bud he put a much-needed crimp in the political collection racket. In cancelling the big jamboree he lashed out at prominent workers (not prominent Liberals) who were soliciting contributions from liquor and other interests in the name of the Liberal party.

No more useful job could be done by Mr. Hepburn than to take his political courage in both hands and expose this racket to the full. There is scarcely a business of any size that is free from political collection racketeering—particularly at election time. At least one major department of Mr. Hepburn's government has its "list" of firms which are on the "right" side because of campaign contributions and which therefore get the business when the taxpayers' money is being spent. If the Liberal workers' plans had gone well, there would doubtless have been a new "list" after the birthday party, to be held over the heads of those who failed to "come through."

Worse still, a great deal of money collected for political purposes in this way never gets into campaign funds for party chests. Instead it finds its way direct into the hands of unscrupulous politicians who "neglect" to pass it through to its proper destination.

Premier Hepburn has done the grandstand play on the collection racket—now he should see the thing through and clean Ontario provincial politics of this vicious system. If Mr. Hepburn is unequal to the task, then Better Business Bureaus in this and other provinces should get on the job.

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The C.C.F. Platform

CANADA'S front line Socialists held their annual meeting in Toronto last week under the banner of the Co-operative Commonwealth Federation. It was the fourth time that Canada's Third Party had met in annual convention and there were delegates from most parts of Canada to the number of 120.

The C.C.F. has never had a good press in Canada and such publicity as emanated from convention headquarters missed most of the really important things that happened during the 3-day meet, with the possible exception of the "United Front" battle which ended in almost complete victory for those determined to maintain political independence for the party. Only 7 out of 95 delegates voted to throw the party open—politically — for affiliation with Communist and other bodies who wish to join forces in the so-called United Front against Capitalism.

To most members of the party this refusal to compromise with the principle of political independence in order to gain temporary ends will doubtless be looked on as a forward step in the history of the Federation.

* * *

BUT several other important things happened at Toronto which are worth recording. In the first place the meeting marked the emergence for the first time of a closely knit national body in place of what has previously been a rather loose federation of autonomous provincial and local groups. If the C.C.F. expect to make much progress as a national political power in Canada this is one prerequisite and the federation claims to have emerged from its convention with this principle definitely established.

One outward mark of this new régime is the decision reached at Toronto to levy a charge of 10 cents per annum on each member in support of the National body. A similar proposal involving only a 5-cent levy was not even given serious consideration at a previous convention at Regina.

Another important step is the definite recognition in the national councils of the party of the younger, aggressive "intellectuals" who have heretofore played only advisory rôles. Not only have some of these young men definitely arrived at the seats of power but they are apparently determined to launch the party on an aggressive and if necessary a militant campaign in pursuit of their ideals.

For example these young men make no bones about the interpretation they place on the Federation's avowed purpose to "work nationally and locally for the protection of civil liberties and the defense of the unemployed." They boast that already they have been even more active than Communists in strikes and other obstructionist methods in protest against what they consider to be unfair wage and relief cuts. They state bluntly that there will be more of this in the future to develop a virile "esprit de corps" throughout the party. They claim their tactics to be fairer than those generally employed by so-called revolutionary groups in that they

(Continued on page 2 col. 5)

Fix '37 Price of Newsprint At $42.50 f.o.b. Destination; Rothermere Still Urges $50

Explains Why He Believes $50 Newsprint is Warranted

SLAMS FINANCIERS

By LORD ROTHERMERE

Special Cable to The Financial Post

LONDON.—What is most seriously wrong with the newsprint industry of Canada is the price outlook of the management. This price outlook is all important.

Managements of Canadian mills do not seem to have apprehended that from now on, in all likelihood, there will be a rapidly ascending demand. I predict with complete confidence that, without any major international complications, the increased demand for newsprint by Canada's customers all over the world will, in 1938, be not less than 800,000 tons above the demand for 1936. Of this quantity, 150,000 tons might be provided by the mills in the northern United States.

This would put Canada in the position of having to provide 650,000 tons more than this year.

Scandinavian Situation

I returned from Sweden on August 1. There is not the remotest chance of Scandinavia or Finland being able to make any serious contribution to supply any part of this extra demand. In Finland there is actually a shortage of labor.

American newspapers have not yet returned to the sizes of 1928. They may do so at any time now. If they do, there must be an immediate extra demand at the rate of 400,000 tons a year.

In 1938, Canada cannot provide, say, another 650,000 tons of newsprint at any price less than $50 at the point of delivery. In fact, an acute shortage will be in sight, which may lead to a considerably higher price than $50. (This compares with the price recently accepted by Great Northern Paper Co. in the United States of $42.50 a ton, delivered, for 1937.)

Enumerates Bogies

The management of the mills worry themselves over bogies of their own imagination. First, there was the competition of radio advertising as affecting newspapers. Radio advertising can never be a formidable competitor to newspaper advertising. It is not sufficiently remunerative.

Then there was the competition from Scandinavia and Finland. These countries are quite unable to increase their output substantially.

The last bogey is the manufacture of newsprint from southern pine. To me, it is a certainty that even in 10 years' time there will not be an output of newsprint in the southern United States of 500,000 tons annually. Southern pine makes poor newsprint, and today newspaper purchasers are increasingly requiring higher standards of newsprint.

There are many difficulties connected with the manufacture of paper from southern pine, such as labor, conveyance to the mill, and multiplicity of owners of timber limits, requiring difficult negotiations for the supply of timber. There are a number of other difficulties.

Financiers and Investors

It is surprising to hear that now the newsprint industry of Canada is emerging rapidly from all its troubles, finance houses are planning the financial reconstruction of the industry. They are rushing to the aid of the victors. Their manoeuvres are reminiscent of the finance-mongering of 1927, 1928 and 1929.

Bondholders and shareholders should rigorously resist these manoeuvres. A little more patience, and bondholders and shareholders will be pleasantly surprised at the prices at which their investments will be selling.

Contract Weaknesses

The managements of most of the mills were forced, when orders were scarce and difficult to secure, to put a clause in their contracts by which the price of newsprint is fixed by 1 to 4 companies. Any one of those companies might fall under the influence of purchasers of newsprint, with the result that a company under such an influence might quote an absurdly low price, which would make the standard price for other mills. This clause should be rigorously eliminated from all contracts.

The clause itself may not be legal. Moreover, such a clause might also bring the newsprint mills into collision with the provincial governments of Ontario and Quebec, who are not likely to allow their forests, the most precious of all their natural resources, to be used up without an adequate price being paid for the timber.

Finally, it is distressing to think of the sacrifices suffered by investors in the newsprint mills of Canada, simply through a want of understanding on the part of the

(Continued on page 2, col. 8)

Cable Clarifies Price Question

In Lord Rothermere's original letter suggesting a price of $50 a ton to Canadian mills for newsprint, it appeared that he meant $50, f.o.b. mills, which would mean about $57 a ton delivered.

From his cable, published herewith, it is evident he suggests a price of at least $50 a ton, f.o.b. destination. This would mean a rise of $9 a ton from the present price of $41, and $7.50 a ton above the price of $42.50 a ton recently adopted for 1937 deliveries by Great Northern Paper Co., largest U. S. producer.

Lord Rothermere's letter was addressed to L. J. Belnap, president of Consolidated Paper Corp., and to G. T. Clarkson, receiver for Abitibi Power & Paper Co. It set forth the British newspaper peer's claims that Canadian newsprint firms are selling paper far too cheaply. The terms of the letter were revealed exclusively in The Financial Post for August 1.

In addition to being chief proprietor of the London Daily Mail, Daily Mirror and Evening News, Lord Rothermere is president of Anglo-Canadian Pulp & Paper Mills in Quebec. He and his associates are large investors in Canadian newsprint firms, having particularly heavy holdings in Consolidated Paper Corp. and in Abitibi Power & Paper Co.

Lord Rothermere will visit Canada early in September, he informs The Financial Post, quite prepared to discuss the whole newsprint situation with any responsible interests.

Price Applies to Firms Selling in New York and Chicago

SECRET BONUSES?

The Financial Post understands the contract price for Canadian newsprint for 1937 has been practically fixed at $42.50 a ton, delivered. This is a rise of $1.50 a ton from the 1936 price of $41.

The price situation has been under discussion in Montreal in the past week with the result that the chance of any higher price than $42.50 has virtually been abandoned, it is understood.

The $42.50 price will prevail for the major mills in Ontario and Quebec, it is understood, and will apply to Chicago as well as New York deliveries. This means it will apply to deliveries by the firms with the widest investment interest, such as Consolidated Paper, Abitibi, Price Bros., Lake St. John, Great Lakes Paper and M. & O.

Prices and Costs

Since the mills pay transportation charges from mill to destination, the net price to the mills will be somewhere around $36. The delivery charges vary from about $4 to $7 a ton, depending upon location of the mill and destination of deliveries.

The $42.50 price is something of a disappointment in the newsprint industry and to investors in newsprint securities. They had been looking for a price of about $44 or $45 for 1937. Lord Rothermere, British newspaper and newsprint proprietor, has been urging a price of $50, as shown in his cable in this issue of The Financial Post.

The price of $42.50 arose from the action Aug. 3 of Great Northern Paper Co., large Maine producer, which announced acceptance of business for 1937 on the basis of a rise of $1.50 a ton.

Great Northern Action

Great Northern by accepting $41 a ton in the autumn of 1935 determined the price to the Canadian newsprint industry for 1936. The reason this is possible is in contracts for newsprint. Most of them carry a clause to the effect that the lowest price accepted by any mill, or by certain "price-fixing" mills, will prevail. Hence, one mill can accept a price that immediately becomes applicable to most of the industry.

Action of Great Northern in arranging the 1937 price in August is the earliest on record. Ordinarily the price is arranged in October or November.

When newsprint output was far in excess of demand, it was not uncommon for paper mills to make secret price concessions to get business from publishers. Now, with output rising toward capacity, it is believed that some cases may arise of secret bonuses to mills which would keep down the nominal price to other mills, since the bonus would not appear as part of the contract price.

Dashes Hope

Acceptance of the $42.50 price defeats the last hope which was still held a week ago that at least some of the mills in the inland territory would be able to get a better price on some of their contracts. However, the new level will allow increased earnings in most companies, especially as the volume in the individual mills has increased substantially.

While some mill costs have been inclined to rise, other costs have been greatly reduced by increasing volume of production. This has been illustrated in various of the articles in the current series on newsprint appearing in The Post. This week the Abitibi outlook, in the light of the pending reorganization, is examined on page 12.

Plan Increase In Matachewan Mill Capacity

Expect Boost to Treble Working Profit of Mine

By addition of another grinding unit and other equipment, Matachewan Consolidated Mines will raise the tonnage to something over 300 tons daily, The Financial Post is officially informed. This increase follows a recent survey of the results of exploration on the 260 ft. level at this Matachewan, Ont., producer, which revealed sufficient increase in assured ore to justify the increase in milling rate. Company engineers estimate the mill increase will treble working profit.

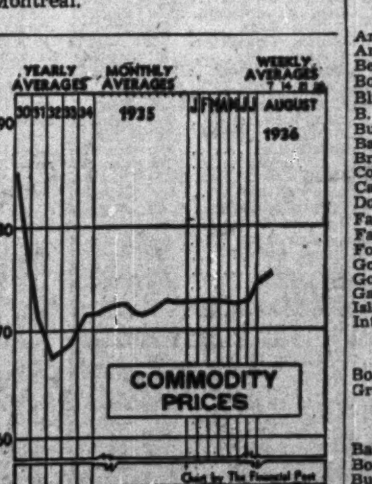
Certain other additions to surface equipment will have to be made, such as compressor, an extra transformer, another heating unit, etc.

The shaft has at present been sunk to the 360-ft. level and it is now proposed to continue sinking to 725 ft., cutting stations and developing two more levels at 500 and 650 ft.

McCrea-Wilson Lumber Redeems Bonds at 102

McCrea-Wilson Lumber Co. will redeem all its outstanding 6% first mortgage bonds on Oct. 1, 1936, at 102.

Payment will be made at the Chartered Trust & Executor Co., Montreal.



PRICES AGAIN ADVANCE

Wholesale commodity prices continued to advance last week, rising from 75.4 in the previous week to 76.3, according to the index compiled by the Dominion Bureau of Statistics.

Alberta Scrip Puts Ottawa On Horns of Legal Dilemma

From Our Own Correspondent

OTTAWA.—Officials of the Department of Justice are preparing a memorandum for the federal government on the legality or otherwise of Alberta's "prosperity bonds."

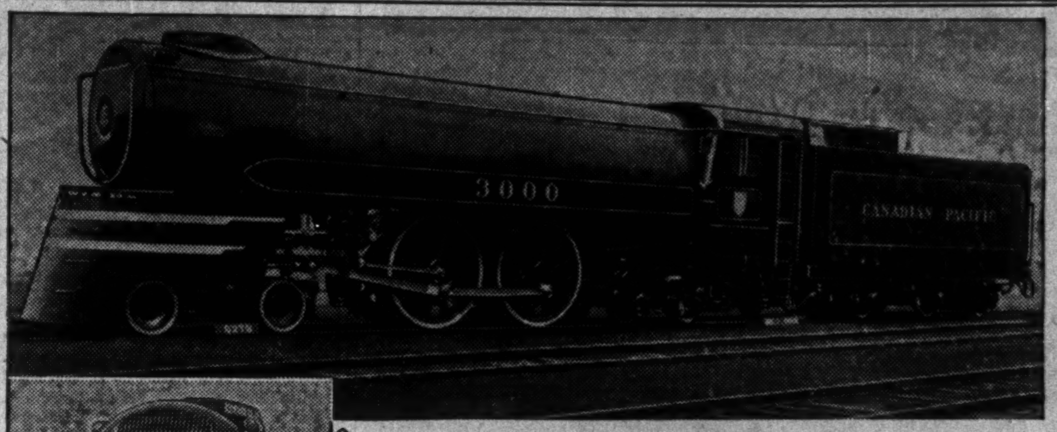
Official Ottawa has had strong views on the subject for months but nothing was done until J. W. Glenwright, president of the Edmonton Chamber of Commerce, telegraphed Premier Mackenzie King, appealing to the government "to take prompt action to stop what we are informed is clear contravention of Dominion control over currency and legal tender."

Awkward Dilemma

This protest created an awkward situation. The Liberal government has been zealous from the beginning to avoid anything which could be construed as opposition to the Social Credit movement in Alberta. The view in political circles is that Ottawa will try to evade the issue.

If the Edmonton Chamber of Commerce is insistent, it may force a ruling of one sort or another. But federal government is in a dilemma. If it rules Alberta's scrip illegal, it risks the odium of Premier Aberhart, who may pin the responsibility for any collapse of "basic dividends" on Ottawa.

The alternative is even worse. To rule that Alberta's stamp scrip is legal surrenders an important right conveyed to the Dominion in the B. N. A. Act, and legalizes any subsequent experiment in irregular paper issues by provinces, municipalities or other bodies. Also, it would nullify Section 138 of the Bank Act.



LATEST IN LOCOMOTIVES

The new Canadian Pacific Railway "Jubilee" locomotive of the "3000" class, shown above, is capable of 110 miles an hour. It is the last word in graceful, semi-streamlined railway motive power and lighter in weight than the ordinary semi-streamlined engine. It embodies radical changes in engineering and design.

First of 5 new "3000" locomotives, the "Jubilee" was recently taken over by railway officials at ceremonies broadcast by radio and at which Sir Edward Beatty, chairman and president of the C. P. R., officiated. Special streamlined, lightweight passenger coaches, to be used with the new type locomotive, are now under construction.

11 Per Cent Gain In Carloadings

Carloadings of revenue freight loaded in Canada are currently running 11% above corresponding figures a year ago. This is the best showing made so far this year and is due to a gain in almost all types of commodities and merchandise carried.

Another important gain for the week was the figure for June flour production which was 15% above the same month last year.

		—Change— From prev. period %	From prev. year %
Monthly:	June		
Flour prod., bbls. ..	1,148,810	—4	+15
Footwear prod., pr.	1,721,182	—4	—2
Weekly:			
Car loadings, No. ..	46,471	+4	+11
Cattle sales, No. ...	14,420	—9	+2
Hog sales, No.	16,445	—1	+37

Highlights

Spain in Flames

Fascism and Marxism struggle for Iberian supremacy while Spain becomes a shambles. Threat of new world war emerges from Spanish chaos. Page 11

Relief Millstone

Charlotte Whitton, O.B.E., warns against Canada's drifting policy of relief expenditure in first of a series of authoritative articles discussing social reconstruction problems. Page 20

New Stock Exchange

New home of Toronto Stock Exchange is marvel of mechanical design for speeding transactions in all types of securities. Special section reviews growth of chief Canadian securities market. Pages 8, 9, 10

Abitibi Power

New securities may permit company's participation in recovery trend of newsprint industry if complete reorganization is effected. An analysis of current position and prospects. Page 12

Golds and Recovery

Shares of Canadian producers are important stabilizing influence in period of recovery. Prospects for leading gold issues. Page 19

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Britain Welcomes Empire Agreements For Greater Trade

Hon. Howard Ferguson Tells Inspiring Story of Last Few Years

GREAT OPPORTUNITY

Hon. Howard Ferguson, former Premier of Ontario and for 5 years Canada's High Commissioner in London, believes that the present situation in Canada and Great Britain is most favorable for extending Empire trade and especially for increasing trade both ways between Canada and Great Britain.

"I am confident the strong delegation which the Dominion Government has sent to London for the evident purpose of having some preliminary conversations about revision of Ottawa trade agreements when they expire, must have met with a warm welcome and have been impressed with the prospects for making an agreement of larger scope than that under which we have been operating," he said in answer to The Financial Post questions.

"Of course, there will have to be adjustments on both sides but I have it from every quarter that the British people feel that trade has increased under the Ottawa agreements and that, they would welcome the opportunity of renewing these arrangements on a broader scale. They feel, of course, that an opportunity is also provided to profit by experience of the last few years to eliminate as far as possible the difficulties that have arisen and so to create a smooth running reciprocal trade. It would be a great thing for Great Britain and it would be the greatest thing that could happen for Canada."

Minor Difficulties

"You mentioned difficulties, Mr. Ferguson. What difficulties?" he was asked.

"I mean this sort of thing. There was nobody old enough in Great Britain to remember that they had a tariff when a tariff policy was agreed on. The principles underlying the tariff, its applications and the machinery to operate it were all new. It took Canadians a considerable time before they were able to secure contact with the British officials who have to handle imports and exports. At first they felt that every difficulty, no matter how small, had to be relayed to headquarters. You can imagine the delays that occurred and how difficult that would make it for buyer and seller when it was essential that goods should reach the customer at once. In such cases the only way out seemed to be to pay the full duty under protest. Then long negotiations had to take place to secure a return of the extra duty paid.

"Eventually we were able to establish a most friendly arrangement among the trade, the customs staff of Canada House and British customs officials who operated under the Chancellor. Thereafter when a question arose they were able to sit down and thresh it out together. It is seldom now that a head of a department is bothered with small matters which can be handled expeditiously on the spot.

"These minor difficulties were not all on one side. The Britisher had things to worry him when shipping goods to Canada but the treatment given by customs here has also been made more expeditious and considerate. There has been a marked increase in the goodwill of the Brit-

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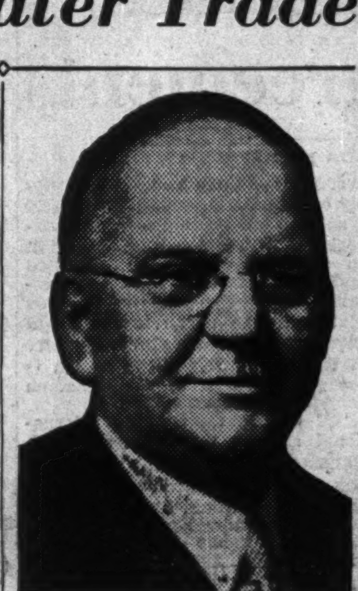


HON. G. HOWARD FERGUSON

No New Pact On Waterway Says Ottawa

Interview of U. S. Senator of New Treaty, Repudiated

From Our Own Correspondent

OTTAWA. — The St. Lawrence waterway has become a live topic again in the United States presidential campaign, but, despite interviews which would seem to suggest the contrary, there is really nothing very new being done about it. It stands much where it did when the treaty was rejected by the United States Senate.

An interview given at Ottawa by U. S. Senator J. H. Lewis (Illinois), in which the assertion was made that Canada has in the making a new treaty more acceptable to the American authorities, was repudiated as diplomatically as possible by the Canadian government officials.

There is no such document, it was authoritatively learned. Some informal discussions between the governments did follow the rejection of the treaty by the United States Senate, but so far they have not come to anything.

Electrolux Declares Another 10c Extra

Electrolux Corp., Wilmington, Delaware, has declared an extra dividend of 10 cents a share along with the regular quarterly payment of 40 cents a share, both payable Sept. 15 to shareholders of record August 15.

Dividends in 1935 amounted to $1.20 a share. Payments this year will total $1.50 a share with the Sept. 15 payment.

The company's earnings for the first half of 1936 amounted to $1.26 a share compared with $1.12 in the 1935 period. Earnings for the full year 1935 were $2.27 a share compared with $1.53 a share in 1934.

Barcelona Gets Protection While Gov't is in Control

Shareholders of Barcelona Traction Light & Power Co. have been anxious lest the Spanish civil war should hurt their interests. Property has not been confiscated by the government temporarily and officials of the company expect that even if property should be taken over temporarily it will be returned when things quiet down. Assurances given the British government by the Generalidad of Cataluna, the state government, corroborate this view. Light and power load is still more than 80 per cent of normal.

The loyalists are in control in Barcelona where the company's interests are located. If the rebellion were to be successful a new situation would be created. The British government in such case would seek similar assurances as to British property from the new government, it is certain.

Many Millions Needed to Aid Drought Areas

Ranchers Ask Ottawa to Hurry Cattle Salvage Plans

RELIEF BILL MOUNTS

From Our Own Correspondent

OTTAWA.—The Canadian taxpayer will be called upon to contribute millions of dollars to relieve distress in the drought stricken areas of the West this winter, and to enable the 1937 crop to be sown.

Even a rough estimate of the figure will not be available for some time, but the federal authorities are making every effort to obtain some idea before they announce their policy next week.

A small army of provincial ministers and deputies, relief administrators, representatives of the stock-raising industry and of the packers, is assembling in the capital for the discussions which will take place early next week on the cattle fodder problem.

Ranchers in Dilemma

The most urgent phase of the general drought situation is relief for ranchers and farmers who are faced with depleted fodder reserves and parched pastures, and do not know whether to sell a considerable proportion of their herds at once, for what they will bring, or to hang on while the authorities at Ottawa decide upon the form which assistance is to take.

The National Employment Commission entered into the picture this week by sending one of their members, E. J. Young, practical farmer of southern Saskatchewan and former M.P. to obtain for them a comprehensive view of the drought problem.

Meantime the harassed ranchers and farmers of the West have become impatient at the delay in announcing a policy. They have been bringing pressure to bear on both provincial and federal governments. It was reported to Ottawa that some small ranchers in southwestern Alberta were accepting $7 a head for cattle rather than keep them and risk having to buy hay and other feed at inflated prices to keep them for the winter.

Packers Will Help

In addition to the 2 broad plans of moving cattle to areas where feed is plentiful, and of moving feed to the drought-stricken areas, the federal government is dealing with a proposal to lift from the market at once upward of 100,000 head of thin or otherwise unmarketable animals (through the usual channels) with the co-operation of the packing houses.

The scheme as originally outlined for the purchase of these animals from farmers and ranchers for a nominal interim payment of not more than $10 per head, based on weight. The packing houses were willing to co-operate to the extent that they would slaughter and process these animals at actual out-of-pocket expense, without adding overhead. They would then dispose of the produce, boned and frozen, in any available market. If the proceeds totalled more than the payment made to the farmer plus processing costs, a supplementary payment, pro rata, would be made to the farmer or stockman. If the transaction resulted in a loss, the federal government would be asked to reimburse the packing companies.

The packers reported that their maximum capacity would be 100,000 head or thereabouts. As there are said to be between 500,000 and 700,000 cattle in the drought area of Alberta alone, this would by no means solve the problem, but was regarded in the preliminary discussions as a valuable auxiliary to the other schemes.

A staggering total has already been reached as the burden of drought upon the people of Canada.

Saskatchewan Worst Sufferer

The first major disaster of recent years occurred in 1931, when a large part of Saskatchewan suffered almost complete loss. It was necessary to provide almost all the necessities of life for the people in the "calamity area." Separate bookkeeping was set up for the expenditures made by the Saskatchewan Drought Relief Commission. About $10,000,000 was spent in the subsequent 2 years on that area, from the federal treasury.

In addition a large but not easily definable portion of the $60,000,000 advanced or loaned to the Saskatchewan government in the past 5 or 6 years was spent in alleviation of drought in one way or another.

This by no means exhausts the items. Alberta and Manitoba have had lesser problems. Large sums of money are being currently spent in rehabilitation projects under the direction of the department of agriculture, with John Vallance, a former Liberal M.P. directing the activity.

Cost May be $30 Millions

The number of persons obtaining federal relief because of drought in the past 2 or 3 years has ranged between 90,000 and over 200,000 persons.

Judging from the cost of earlier droughts, it appears that the Canadian taxpayer will be called on, through the federal treasury, to foot a bill in the neighborhood of $30 millions because of the 1936 drought.

Fall Styles . . . Full Value
Eatonia
GOOD VALUE • GOOD MERCHANDISE
MEN'S SUITS

FOR LATE SUMMER and AUTUMNWEAR

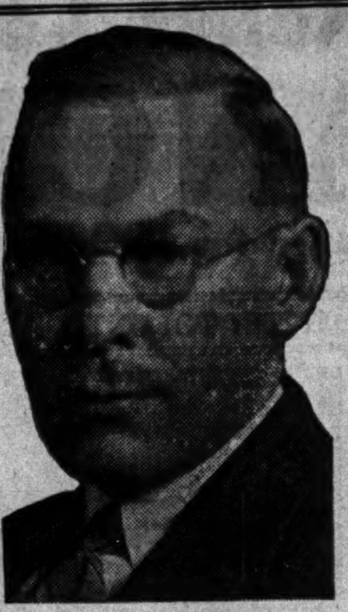
the new patterns and materials in EATONIA suits are arriving every few days from our tailoring work rooms! This season's styles are featured in all wool worsteds, cheviots, serges, gabardines, and tweeds! Plain shades and neat stripes vie with tasteful checks, herringbones, and flecked effects in a variety of styles that permits a very wide choice indeed! If you want to appear well dressed, join the hundreds who have discovered EATONIA high value . . . and EATONIA moderate price! Sizes 36 to 44 . . . including sizes and styles for men who are ordinarily hard to fit!

WITH ONE PAIR OF TROUSERS $20.00
WITH TWO PAIRS OF TROUSERS $25.00

These suits may be purchased on EATON'S Budget Plan if desired!

SECOND FLOOR—JAMES ST.

THE T. EATON CO LIMITED
Also obtainable at the Men's Shop—EATON'S-COLLEGE STREET



BARCLAYS DIRECTOR

HENRY BORDEN

Who has recently been appointed a director of Barclays Bank (Canada). Mr. Borden is a partner in the legal firm of Borden and Elliot, Toronto, and is a director of Traders Finance Corp. and Barclays Trust Co.

The Nation's Business

(Continued from page 1)

will first do their best to compromise and reach a settlement through co-operative means. Failing that, however, they claim they will be quick to adopt strike and obstructionist methods to obtain their ends.

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ANOTHER important plank which appears for the first time and of which much more will be heard in the future is the adoption of a capital levy to reduce the national debt. Here again is seen the hand of some of the party's young intellectuals who have given much thought and study (aided by some of the expert brains of our universities) to a concrete plan for cutting between a billion and a billion and a half from our national debt by means of a special debt reduction tax to be levied on accumulated wealth over $25,000.

The levy is to be graduated in proportion to the size of private fortunes and used exclusively to pay off the national debt. It would only be done once (so it is said).

The convention also urged abolition of the sales tax to be replaced by "more steeply graded taxes on incomes and corporation profits" and the introduction of a federal inheritance tax to serve the dual purpose of tapping new sources of revenues and breaking up large fortunes. It made another novel financial suggestion, namely "a graduated coupon tax on all government bonds whose present rates are excessive," and a similarly graduated coupon tax on all private bonds and debentures.

Finally a perusal of the federation's manifesto and policies brings out more clearly than has been the case in recent years, the principle of complete Socialism in national and private life in Canada. Perhaps there need be no great concern for this latter fact because Socialists and Socialist parties in particular have a very neat habit of toning down their threats against private property the nearer they come to the actual seats of power.

• • •

THESE are the chief news items in Canada's Third Party platform. Just what is ahead for the C.C.F. by way of political advancement remains to be seen. Many people feel their influence in Canada is in inverse ratio to the course of business prosperity. In short, that whenever business gets bad, the star of Socialism such as advocated by the C.C.F., rises. As business improves, its power and influence wane.

The C.C.F. leadership in Canada claims it is not seeking to extend its influence among the malcontents and the unemployed. Their big opportunity (so they claim) is among respectable citizens of small means who are "threatened" with insecurity rather than actually face to face with it themselves. There is too much instability, they say, to ever build a political party among the unemployed, and the trouble makers.

Such protestations are hard to reconcile with the avowed intention of the party's younger leaders to use strikes and force to obtain their ends. The two points of view just don't mix.

The next year or two which may be ones of far-reaching economic adjustment between employees and employers on this continent, will show where the C.C.F. stands on this vital question. Under sound leadership the party may be a leavening influence in Canadian public life. By adopting strong arm methods to enforce their demands they may sign their own death warrant as a permanent force in the Canadian political scene.

WHERE'ER YOU GO
In CANADA or ABROAD

Actual cash is unsafe for travellers to carry and yet is needed everywhere.

Travellers Cheques are safe for travellers to carry and serve for cash everywhere.

Travellers Cheques take the risk out of carrying money needed to pay hotel charges, shopping bills, tips and a hundred other items.

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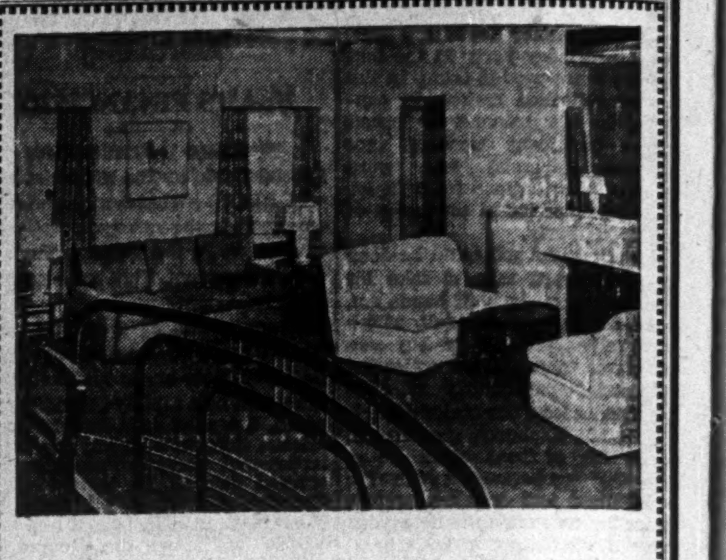

Apartments of TODAY

One of Toronto's most interesting achievements in new structural ideas, new lighting, new color schemes and new materials . . . a series of three apartments presented by SIMPSON'S.

Drop in soon. See the 1½-room Apartment for Modern "Young Things", the 2½-room Apartment for Modern "Young Couples" and the 3½-room Apartment for those of any age who like the spirit of these modern times. FIFTH FLOOR.

Simpson's

Pictured above: Two steps and a bronze railing separate the living room and dining room units in the 3½-room apartment.

Britain Welcomes Empire Agreements

(Continued from page 1)

ish people and in their confidence in our desire to give them the best we have, in our business methods and in our integrity generally."

Trade Missionary Extraordinary

No one in Canada is better qualified than Mr. Ferguson to speak with knowledge on this point. For 5 years as High Commissioner he was so active in trying to promote more friendly and profitable trade relations in the Empire that Conservative and Liberal businessmen alike have come back from business trips to the United Kingdom and have paid him tribute for the excellent co-operation given them in their exporting and importing.

The Ottawa agreements did have other real obstacles to encounter at first than the continual holdups of shipments (as mentioned by Mr. Ferguson) while customs officials tried to ascertain whether or not all protective regulations had been lived up to. The question of Empire content of imports was at first a fruitful subject of dispute but the High Commissioner's arrangement for round-table discussion of difficulties and for constant conference by telephone has expedited shipments and been immensely helpful in fostering Empire trade.

"The reception for Canadian products is excellent in England," replied Hon. Mr. Ferguson to further questions. "Whenever and wherever we give them a continuous supply of a first-class product and label it as such our trade grows. The experience with bacon is typical. It is an excellent product and labelled under careful regulations. As a result most Englishmen will tell you that Canadian bacon is as fine as any bacon they can find anywhere in the world. Sales have grown to the great benefit of the Canadian farmer and manufacturer.

"Of course, there is an international side to the old trade with Denmark and with the Argentine and it has weighed with British statesmen. I think, however, Great Britain has now reached the conclusion that she can achieve a stronger position economically and internationally in world affairs by consolidating Imperial units than in any other way."

Empire Unity Desirable

"Would you mind illustrating what you mean by 'consolidating Imperial units?'" asked The Financial Post.

"I mean that each unit of the Empire should be strengthened by interchange of trade and by such bi-lateral agreements as will foster a greater inter-Empire trade. The conclusion that this is a desirable thing to do has been hastened, not alone by the desire to show appreciation of the tremendous efforts that Canada and the other Dominions have made to maintain the Empire in its world position, but because of the prevailing tendency of most foreign governments to work toward the development of strong nationalistic units.

Should Work For Permanence

"Canada's interest is identical with Great Britain's in this respect. It is axiomatic that it is more desirable to trade with your friends than with your competitors. While foreign trade is something to be encouraged and developed, our first interest is in the home market and our second interest is the Imperial market. We should endeavor consciously to get a permanent and growing trade established at home and Imperially.

"I think we can get a lesson as to the wisdom of this by studying the situation in the United States. They have an election every 4 years. For a year before election day there is uncertainty and instability. People won't make long contracts. After election it takes another year to get the new policy settled if there happens to be a change in administration. They are more or less in a state of turmoil in a commercial sense half the time as a result.

"I have always urged the view that it is important to have a substantial backlog of dependable business. The advantage of these Imperial arrangements is that there is no danger of the United Kingdom or any of the Dominions switching their policies overnight, nor would they do it without consulting us.

"In other words, among Empire countries the tendency is to co-operate and Great Britain being the greatest market in the world for most of the natural products we produce, we should seek it even if it cost us something to get it. It is worth some sacrifice to get permanency for our trade and as the trade improves it becomes increasingly profitable to us."

"Will you illustrate that by further instances of what has resulted from the closer relations in recent years?" Mr. Ferguson was asked.

"Well, consider the record in timber exports. We are sending only 350 million standards (editorial note:—a standard is less than 2,000 feet board measure) to the English market where we should be sending 700 millions. Russia, Finland and Poland all ship more timber to the British market than we do and so there is room for much expansion in this business. But we are making progress.

"We have been able in the last few years to make our way in the British market for timber by giving them what they want in the specifications that they want. Our sales have increased very rapidly and we will be finding an increasingly profitable market over there. Only recently some of the large municipalities have built very large timber schools (over there they use the word 'timber' in preference to the term, 'wooden'). They have found that they can build them at three-quarters of the cost of brick buildings and make them almost as fireproof.

"That there is a great opening for more timber trade is demonstrated again by the fact that 3 of the largest spending departments of the government which use timber have specified Empire timber and that means Canadian timber for most purposes.

Bacon Business on Threshold

"The same remarks will apply to other important exports. The increase in bacon sales to Great Britain is one of the most profitable developments of recent years for our farmers. It is important for many reasons. For one thing a hog is a 6 months crop and a farmer can get into hog raising without tremendous expenditure. He can also get out of it on short notice with a minimum of loss if he desires to do so.

"Since we have begun to grade our bacon we have assured the Britisher of a high quality product and we have assured him also of continuity of supply. And on top of that the chances for development are inspiring because Canadian bacon exports are still only from 5% to 6% of the British imports.

"We can do well with beef exports. Canadians are the only exporters who ship fresh meat to Great Britain. Coming from Australia, the Argentine and other countries it is frozen or chilled. We have not shipped to Great Britain in the last year because the demand from the United States became so acute we were able to sell over the top of the tariff barrier. But the British market is there.

"I cannot repeat too often that the best lesson we have learned in recent years is that to deserve this trade we must give the British uniformly good quality and if we do we can always get a good price."

Wheat's Chance Reviving

"What about the sale of Canadian wheat?" asked The Financial Post.

"There is no finer wheat in the world than our hard wheat. Its only possible competitor is Russia so far as quality is concerned. The United States, the Argentine and Australia as well as Russia have been keen competitors of ours and the soft Southern wheats sell for much less than ours on the Liverpool market. These have for a time been displacing the more expensive Northern hard wheat but there is a demand in the United Kingdom very extensive and very active for better bread. That means that the baker must increase the proportion of Canadian hard wheat. Leaving aside the special situations created by the year to year fluctuations in price and supply we should find a very satisfactory situation for negotiating trade arrangements with the Old Country with reference to its wheat supply.

Fruit, Barley, Tinned Goods

"Almost every commodity which we produce is in the same position. Our fruit finds a ready demand and at high prices. The demand is growing for our tobacco and we are now shipping from 30 to 35 million pounds annually. We could sell unlimited quantities of barley if we would grow the kind of barley that Englishmen want and I do not see why we cannot do it. The British import millions of bushels of barley from California and they would be glad to buy it from Canada if we would grow the type of grain suitable to their use.

"That is why we are selling them more tinned goods than anybody else, why we are selling as many canned peaches as we can make. A little thing perhaps but we can sell them fresher asparagus tips in cans than they can get from their own gardens. In other words there has been infinitely less time lost between the garden and the can than is lost between the garden in England and the consumer's table.

South African Market

"And Great Britain is not the only market. There are marvellous opportunities to trade with South Africa. Canadians and South Africans like each other. They work well together. I am delighted that there is going to be a creditable display by Canada at the South African Exhibition opening in September. The South Africans have employed 3 Canadians to run the exhibition for them. It was the thing to do to employ experts but I think it is an excellent sign of goodwill that they chose Canadians.

"South Africa with orders for a 3 years supply of rails has kept the Dominion Steel Co. at Sydney busy. That has meant much to employment in the Maritimes. They bought from Great Britain before. They are even buying Canadian shooks for boxes for their very excellent fruit. We take sisal from them and have taken lots of fruit in our own off season.

"It can best be summed up by saying that the whole economic map of the world has been changing since the Great War and is still in process of change. A bitter nationalistic spirit has grown up in many countries. It is the part of wisdom then for Empire countries to come together more closely in a growing spirit of goodwill and willingness to trade. It will help every Empire unit and none more than Canada."

Bears Out Statements

Hon. Mr. Ferguson's views are borne out by the review just issued for July and August by the Midland Bank. It points out that British imports were 25% from Empire sources in 1913, 30% in 1929 and 37% in 1935.

Britain's exports to Empire countries likewise increased from 37% of the total in 1913 to 45% in 1929 and to 48% in 1935.

In 1913 United States was the largest source of imports with Germany, India, France and Argentina following. In 1935 United States still heads the list but Canada comes second as a supplier of British imports and Australia third, followed by Argentina, India and New Zealand.

"In short," says the Midland Bank, "trade in general has tended to concentrate itself to a higher degree within the boundaries of the British Commonwealth of Nations."

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THE ROYAL BANK OF CANADA
OVER 700 BRANCHES IN CANADA AND 30 OTHER COUNTRIES

Sun Life Assets Up $25 Millions

A gain of $25 millions in assets in the first 6 months of 1936 was reported recently by Arthur B. Wood, president and managing director of Sun Life of Canada.

Total assets at the end of June were approximately $730 millions, which is back to the 1931 level.

Great L. Power Refunds Bonds With New Issue

Offers $4,250,000 of 4¼% of First Mortgage Bonds

EARNINGS HIGHER

A syndicate headed by Wood, Gundy & Co., Ltd., are offering an issue of $4,250,000 of 4¼% first mortgage bonds of Great Lakes Power Co., Ltd., Sault Ste. Marie, Ont., at 99.50 to yield 4.28%.

Proceeds of the issue are to be used to redeem the company's present first mortgage bonds totalling $1,287,000, to repay the balance of an indebtedness of $4,234,500 owing to Middle West Utilities Co. of Canada, which controls Great Lakes Power Co., at July 31, 1936, after $2 millions of such indebtedness is refunded by the issue to the parent company of $2 millions of 5% general mortgage bonds and for general corporate purposes. Thus $728,500 of the issue is entirely new financing and will be used, it is understood, to meet the cost of the company's new plant on the Montreal River.

Earnings Improve

Earnings of the company have been more than sufficient to meet interest requirements of the issue which amount to $180,625 annually. In 1935, earnings available for bond interest amounted to $535,889.

Operations of the company have shown steady improvement during the past 3 years as a result of increased mining activity in the Michipicoten area and greater demand from the Algoma Steel Corp., its biggest customer. This improvement has continued into the current year and as a result earnings of the company available for bond interest and retirement reserve amounted to $344,023 in the 6 months ended June 30 last, compared with $300,847 in the corresponding period of 1935.

Great Lakes Power Co. Ltd.
$4,250,000
4¼% First Mortgage Sinking Fund Bonds
To be dated Sept. 1, 1936. Due Sept. 1, 1956.

Principal and half-yearly interest (Sept. 1 and March 1) payable at the holders option in the lawful money of Canada in Toronto, Montreal, Winnipeg, Vancouver, Saint John or Halifax.

Capital:	Authorized	Issued
1st mtge. bonds	$15,000,000	$4,250,000
5% gen. mtge. bonds	$2,000,000	$2,000,000
$7 pref. shs., n.p.v.	26,000 shs.	7,500 shs.
Common shs. n.p.v.	70,000 shs.	30,000 shs.

Company: Supplies hydro-electric power to Sault Ste. Marie, Ont., and district. Owns 2 hydro-electric plants, one at Sault Ste. Marie on St. Mary's River, and one at High Falls on the Michipicoten River. Company also has rights on the Montreal River where it is proceeding with construction of a plant to develop 10,000 h.p.

Earnings: Interest requirements of this will be $180,625. Average annual earnings available for bond interest during the past 5 years have been $450,473.

Purpose of Issue: Proceeds will be applied (a) toward redemption of the present 6% first mortgage bonds totalling $1,287,000 (b) in payment of $2,234,500 indebtedness to parent company and (c) toward general corporate purposes.

Callable: In whole or part at any time prior to maturity at 104 to Sept. 1, 1941; at 103 to Sept. 1, 1946; at 102 to Sept. 1, 1951; at 101 to Sept. 1, 1952; and thereafter and prior to maturity at premiums decreasing ½ of 1% per annum.

Sinking Fund: Commences Sept. 1, 1939, and amounts to 1% of the total amount of first mortgage bonds issued, plus an amount equal to interest on bonds retired through sinking fund.

Offering: By a syndicate composed of Wood, Gundy & Co.; McLeod, Young, Weir & Co.; Cochran, Murray & Co.; Dominion Securities Corp. Ltd.; W. C. Pitfield & Co.; Collier, Norris & Henderson Ltd., and McTaggart, Hannaford, Birks & Gordon Ltd. at 99.50 and accrued interest to yield 4.28%.

Burry Biscuit 4-1 Split Approved by Shareholders

Shareholders have approved the proposal to split common shares of Burry Biscuit Co., Linden, N.J., one share into 4 new shares.

This will increase the outstanding common stock from 100,000 into 400,000 shares.

The shares were listed on the Toronto Stock Exchange in June.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surp.	20c	Sept. 1	Aug. 15
Do., bonus	20c	Sept. 1	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Bk. Can. Nationale	$2	Sept. 1	Aug. 15
Borden Co.	40c	Sept. 1	Aug. 15
Belding Cort.	$1	Oct. 1	Sept 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Buff. Ankerite	5c	Aug. 15	Aug. 1
Bk. of Toronto	$2.50	Sept. 1	Aug. 15
Bank of Montreal	$2.00	Sept. 1	July 31
Candn. Oil Co.	12½c	Aug. 15	Aug. 1
Can. Bk. of Comm.	$2.00	Sept. 1	July 31
Crown Cork	20c	Aug. 15	July 31
Candn. Converters	50c	Aug. 15	July 31
Confed. Life	$1	Sept. 30	Sept. 25
Corp. Investors	5½c	Aug. 15	July 31
Cosmos Imp. Mills	$1.25	Oct. 15	Sept. 30
Corr. P. Box, pf.	$1.75	Sept. 1	Aug. 15
Can. Vinegars	30c	Sept. 1	Aug. 15
Dominion Bridge	30c	Aug. 15	July 31
Electrolux	40c	Sept. 15	Aug. 15
Do., extra	10c	Sept. 15	Aug. 15
Gurd, Chas.	$1.75	Aug. 15	Aug. 1
Inter. Nickel, c.	35c	Sept. 30	Aug. 31
Kelvinator, pfd.	$1.75	Aug. 15	Aug. 5
Lake of Woods M.	$1.75	Sept. 1	Aug. 15
Loblaw Groc.	25c	Sept. 1	Aug. 12
Laura Secord	75c	Sept. 1	Aug. 15
Mtl. Loan	50c	Sept. 15	Aug. 31
McColl-Fron., c.	20c	Sept. 15	Aug. 31
Monarch Knitting	$1.75	Oct. 1	Sept. 15
McIntyre-Porc.	50c	Sept. 1	Aug. 1
Nat. Biscuit	40c	Oct. 15	Sept. 11
Do., pref.	$1.75	Aug. 31	Aug. 14
Nipissing Mines	25c	Aug. 20	July 31
N.S. L. & Pr. pf.	$1.50	Sept. 1	Aug. 15
Ont. Steel Products	$1.75	Aug. 15	July 31
Photo Engrav.	50c	Sept. 1	Aug. 15
Penmans	75c	Aug. 15	Aug. 5
Quebec Power	25c	Aug. 15	July 24
Royal Bank	$2	Sept. 1	July 31
Rolland Paper	$1.50	Sept. 1	Aug. 15
Rolland Paper	25c	Aug. 10	July 27
Saugenay Pr., pf.	†$1.27½	Aug. 1	July 15
St. Lawr. Flour, c.	50c	Aug. 1	July 20
Do., bonus	$1	Sept. 1	Aug. 20
Sylvanite Gold	5c	Sept. 30	Aug. 17
South. Can. Pr. c.	20c	Aug. 15	July 31
Shawinigan W. & P.	15c	Aug. 15	July 24
Std. Steel, pfd.	*$3	Aug. 15	July 31
Toburn Gold	2c	Aug. 21	July 21
Tuckett Tob. pf.	$1.75	Oct. 15	Sept. 30
Union Gas	$12½c	Sept. 15	Aug. 20
Zimmerknit, pf.	*$3.50	Sept. 1	Aug. 15

*On arrears. †Initial. ‡Interim.

Fix '37 Price Of Newsprint

(Continued from page 1)

management of the actual position of Canadian newsprint in the markets of the world.

I do not like to use the word, and I do not like the expression, but Canadian newsprint is almost a monopoly article, yet one knows that mills in Canada have sold newsprint in South America and elsewhere at simply ludicrous prices. The managements never stopped to think whether these customers overseas could obtain their newsprint elsewhere than in Canada. If they had given a little consideration to this side of the question they would have known there was nowhere but Canada from where newsprint proprietors overseas could obtain their essential requirements.

If customers overseas had been asked $40 or $45 net per ton at the mill,* they would have had to pay this kind of price because they could not have obtained the newsprint elsewhere.

*That is, up to $52 or more, delivered.—Ed.

Listed Bonds

Week Ended Aug. 10, 1936

	Int. rate	Due	High	Low	Range 1936 High	Range 1936 Low
Mtl. L. H. & P. Debs.	3	'39	50½	50½	51½	50

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Pictou, N.S.	July	C. H. Burgess & Co.	3½%	20-yr.	$10,000	99.07	....
Sorel, Que., Sch. Mun. of	July	L. G. Beaubien & Co.; Credit Anglo-Francais	4½%	1937-61	96,000	98.56	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Sisters of Charity, Quebec	Aug.	L. G. Beaubien & Co.; Dube, Leblond & Co.; Ernest Savard	4%	15-ser.	$1,500,000	100	4%
Great Lakes Power Co.	Aug.	Wood, Gundy & Co., and Syndicate	4¼%	1956	4,250,000	99.50	4.28%

Notice of Change of Name

Dating from August 1, 1936, the business of The Ontario Equitable Life and Accident Insurance Company will be conducted under Dominion charter in the name of

The Equitable Life Insurance Company of Canada

The Company has Insurance in Force over 40 Million Dollars, Assets over 10 Million Dollars, and Surplus over $400,000.

PROTECTION
THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA
HEAD OFFICE—WATERLOO, ONTARIO

Windsor City Finance Board Finishes Work

Government Announces Dissolution of Commission

COUNCIL TAKES OVER

Dissolution of the Windsor Finance Commission which has exercised supervision over the financial affairs of the city of Windsor, Ont. since the amalgamation of Windsor, Walkerville, East Windsor and Sandwich last year and which is responsible for the refinancing plan at present before the Ontario Municipal Board, has been announced by Hon. David Croll, minister of municipal affairs in the Ontario government. Legislation providing for dissolution of the commission was passed at the last session of the legislature.

The Windsor city council now assumes direction of its own finances except that it remains under the supervision of the Ontario Department of Municipal Affairs. Like the commission the department will have power to veto any proposed civic expenditure of which it does not approve.

Ends Stormy Period

Dissolution of the commission brings to an end a rather stormy period in the administrative history of the border municipalities. Since the amalgamation on July 1, 1935, when the finance commission began to exercise its supervisory powers, there has been constant conflict between the commission and the city council. On a number of occasions the commission has ruled against expenditures which had been approved by the city council.

Recently the council refused to impose a special relief tax levy which the commission had ordered. However, acts of the commission have been validated by statute so that the council has no alternative but to proceed with levying the special 4-mill tax.

Russell Asks Massey Votes

Urges Massey-Harris Co. Bondholders to Attend Aug. 31 Meeting

In a letter to holders of 5% bonds of Massey-Harris Co., due 1947, T. A. Russell, president, states the plan of adjustment of sinking fund payments to be considered at the meeting at Toronto on Aug. 31 has the full approval of directors.

Mr. Russell states it is important that sufficient bondholders be represented at the meeting to form a quorum in order to avoid the expense of an adjournment, and therefore requests that proxies be forwarded to the company.

Explains Necessity

Directors desire that the company resume sinking fund payments as early as possible, Mr. Russell states, but that the payments shall not be so great as to handicap the development of the company's business.

In connection with the plan, he points out:

1. That no change is contemplated in the security, in the rate of interest, or in the currencies in which the interest on the bonds is to be paid.
2. That while the amounts of the semi-annual payments in respect to sinking fund are important, it is believed that they will not be too heavy for the company to maintain.
3. That provision is made that $2,000,000 of bonds, in addition to those called for in the amended sinking fund plan, must be redeemed before any cash payments in respect of dividends can be made on either the preferred or common stock.
4. That the directors believe the plan to be submitted is sound and in the interests of the bondholders and of the company, and unanimously recommend that the holders of the bonds be present at the meeting on August 31 or give their proxies in favor of the plan which will be submitted for approval at the meeting.

New Industries

Standard Tube Co., Woodstock, Ont., is expanding its plant, and the new building is almost completed. It will be used in manufacturing new lines of the company's products, augmenting the present output of steel furniture, piping and tubing.

Oakville Die Casting Co. has been acquired by W. G. Webster, of Webster Air Equipment Co., London, Ont. London reports state that the Oakville business will be moved to the western Ontario city.

Swift-Canadian Co. Ltd., Moncton, N.B., is constructing a one-storey fertilizer building, a tank house and slaughter house of 2 stories each. Additional stock pens are also being constructed to provide for expansion of the company's operations.

Famous Players' Canadian Corp., owner of the Kitchener, Ont. Capitol Theatre, and Premier Operating Corp., which owns the Lyric Theatre in the same city, are co-operating in construction of a modern air-conditioned moving picture theatre at Waterloo, Ont.

Canadian Raybestos Co. Ltd. is constructing an addition to join 2 plant units of its factory at Peterborough, Ont.

Algoma Steel Corp. Ltd. is producing a new type of steel sheet piling never before manufactured in Canada. Sales to date amount to 350 tons. The new type of piling is being produced in the Sault Ste. Marie plant.

Eugene F. Phillips Electrical Works Ltd., Brockville, Ont., is planning construction of 2 additional plant units, one to house an office building and another with manufacturing facilities.

Wood Hydraulic Hoist & Body Co. Ltd. has acquired space in the Dominion Motors Bldg. at Leaside, Ont., for factory purposes. Increased business and expanded service facilities necessitated the expansion.

August Dividend Payments Down $781,000 From 1935

Dividend declarations of Canadian corporations for August are $781,000 lower than in the corresponding month of 1935, a compilation by The Financial Post shows. Declarations for the month total over $3.5 millions.

This is the second month of 1936 in which a decline in dividend declarations has been shown compared with the same month of last year. May payments declined from $4 millions to $3.3 millions due to deferment of Ford of Canada dividend which has since been paid. The decline in August is due to the fact that in August, 1935, Hudson Bay Mining & Smelting Co. paid an initial dividend totalling $1.3 million, while in the present year the company paid its dividend in June.

Total dividend payments and declarations in 1936, nevertheless, are well ahead of last year, amounting to $147.5 millions for the first 8 months of the year compared with $125 millions in the same period of 1935.

Three Initial Payments

Included in the declarations for the month are 3 initial payments. Harding Carpets Ltd. is paying a dividend of 5 cents a share on its common stock, the first since the company was reorganized in 1934. Rolland Paper Co. is making an initial payment of 25 cents a share on its common stock, and Saguenay Power has declared the first quarterly dividend of $1.37½ a share on its new preferred stock.

An interim payment of $1 a share is being made by Inter-City Baking Co., while Corporate Investors has increased its rate from 5 cents a share to 5½ cents.

Payments on arrears of preference dividends are being made by Associated Telephone & Telegraph Co., Russell Motor Car Co., Standard Steel Construction Co. and Ontario Steel Products Co.

Bond interest payments continue to reflect reduced payments as a result of refunding operations. Total interest payments for the month are estimated at $15.9 millions, compared with $16.3 millions in August, 1935.

Details of August dividend and bond interest payments are as follows:

Summary of August Payments

	1936 $	1935 $
Dividends	3,580,447	4,361,816
Bond interest	15,989,720	16,338,028
Total	19,570,167	20,699,844

Dividend Payments

Company	Rate $	Date	Amount $
Anglo-Can. Tel., p.	.87½q	1	57,750
Assoc. Tel. & Tel., 1st pfd.	▲.49	10	16,173
Do., $6 pf.	▲.42	10	19,821
Beatty Bros., 1st pf.	1.50q	1	15,000
Blue Ribbon, c.	.50	1	31,737
B.C. 'Phone, 2nd p.	1.50q	1	67,500
Buffalo Ankerite	.05q	15	35,083
Calgary Power, pf.	1.50q	1	90,000
Can. Bronze	.25q	1	20,000
Do., pref.	1.25q	1	9,375
Can. Converters	.50q	15	8,667
Can. Dredge	1s	1	94,775
Canadian Oil, c.	12½q	15	17,970
Coast Brew.	.23q	1	41,472
Corp. Investors	.05¼q	15	5,226
Cosmos Imp. Mills, c.	.20q	15	20,000
Crown Cork	.20	15	20,000
Dom. Bridge	.30q	15	154,185
Frost Steel, 1st pf.	1.75	1	14,717
Guelph Carpet, p.	1.62½q	1	11,930
Gurd, Chas., pf.	1.75q	15	4,550
Harding Carpets	†.05	1	8,500
Hollinger Gold	.05	11	246,000
Howey Gold	.02	8	100,000
Humberstone Shoe	.50q	1	10,000
Imperial Bank	2.50q	1	175,000
Inter. C. Baking	‡1	1	21,145
Inter. Nickel, pfd.	1.75q	1	463,486
Inter. Utilities, pf.	1.50q	1	16,483
Do., $3.50 pfd.	.75q	1	81,627
Kelvinator, pfd.	1.75q	15	8,680
Nipissing Mines	.25	20	300,000
Ont. Steel Prod. pf.	1.75	15	6,304
Penmans	.75q	15	48,388
Do., pref.	1.50q	1	16,125
Quebec Power	.25q	15	138,299
Rolland Paper, c.	†.25	10	15,000
Rosedale Gold M.	.01	1	12,500
Russell Motor, pf.	1.75q	1	21,000
Do., on arrears	1	1	12,000
St. Law. Flour	.50q	1	6,000
Do., pref.	1.75q	1	10,062
Saguenay Power, pf.	†1.37½q	1	68,750
Shawinigan W.	.15q	15	326,737
Simpson's, pref.	1q	1	112,500
South. Can. Pwr., c.	.20q	15	80,000
Stand. Steel, "A" pf.	▲3	15	29,370
Steel of Can.	.43¾q	1	201,250
Do., pref.	.43¾q	1	113,685
Tip Top Tailors, c.	.25	10	30,000
Toburn Gold	.02q	21	37,000
Weston, Geo., pfd.	1.25q	1	21,875
Ymir Yankee	.03	1	66,750
			3,580,447

†Initial. ‡Interim. ▲On arrears. q—Quarterly. s—Semi-annually.

BOND INTEREST DUE IN AUGUST

Company:	Rate	Date	Due	Amount $
Albert Bay, 1st mtg.	6½	1	1942	10,952
Canada Bread	6	1	1941	27,339
Canada Foundries	6	2	1942	2,979
Canada Machinery	6	1	1940	4,866
C. Nat. Ry. Eq. 'G.'	5	1	Serial	112,500
Do., Gtd. Gold	5	1	1970	450,000
Do., Gtd. Gold	5	1	1954	1,250,000
Do., Gtd. Gold	4½	1	1956	1,575,000
Can. Vickers, A	6	1	1947	75,195
Confed. Amuse.	6½	1	1951	10,562
Dom. Tel. Secs.	5½	2	1978	27,500
Dryden Paper	6	1	1949	41,985
Federal Grain, A	6	1	1949	109,620
G.T.R. deb. stk.	5	1	Perp.	331,307
G.T.R. Nor. Rly.	4	1	Perp.	29,998
Holt Renfrew	6½	1	1937	11,927
Maclaren Que. Pr.	5½	1	1961	330,000
Mtl. Dry Docks	6	1	1948	16,935
Mtl. L. H. & Pr.	3½	1	1956	175,000
Que. Telephone 'A'	5	1	1955	9,375
Restigouche Co.	6	1	1948	141,780
United Corp., inc.	5	15	1953	112,472
Wood, Alex. & J.	6	1	1944	5,754
Zimmerknit, 1st	6	1	1951	7,500
Do., 2nd mtge.	6	1	1961	14,649
Corporation				4,885,195
Provincial				3,643,053
Municipal				1,752,213
Dominion				5,709,259
Total				15,989,720

Insurance Rating Body Reports on Hudson Bay

The seventh report of the Imperial Shipping Committee on Hudson's Bay marine insurance rates states that 8 commercial voyages were made to Churchill during the 1935 navigation season. All but 2 of the voyages were made in ballast with 6 vessels in all visiting the port.

The committee has continued to collect evidence on ships which navigate the channels and reports that the opinion of more experienced masters definitely favors use of the gyro compass. A further concession in the rate of premiums charged for ships which are so equipped has been obtained.

Court Clears Way For Sarnia Bridge

With a favorable decision from the Michigan Supreme Court permitting the collection of tolls, the way is now clear, it is believed, for the proposed international bridge between Port Huron and Point Edward, near Sarnia.

It is understood arrangements for financing the main span of the structure by United States Federal funds hinged upon the outcome of the court decision. The Ontario Department of Highways and the Michigan State Highways Department have already arranged to build their respective approaches to this bridge.

Great Courage Needed By Political Economist

By KENNETH R. WILSON

Among curious customs of universities is that of suddenly appointing as "Professor," members of their staff who have been called by that name as far back as most people can remember.

Such an appointment was made a few days ago by the University of Toronto in naming Dr. Harold A. Innis as professor of political economy.

Kinds of "Professors"

When a business firm hires a new member to its staff it either gives him no title at all or else one commensurate with his status. But to students and laymen those who grace academic halls are usually known as "Prof" or "Professor" as soon as they begin giving lectures.

Actually there is a wide gulf separating the young man who joins the teaching staff of a university and the full-fledged "Professor." The complete line of succession usually starts with "instructor," then moves ahead to "lecturer." Subsequently the successful pedagogue may become an assistant professor and then in turn an associate professor. All or most of these steps are those that must be climbed before the full-fledged professor emerges.

To such a goal Harold Innis has now arrived after a dozen years of apprenticeship at U. of T. The only other professor of political economy at Toronto is Professor Urwick, Head of the Department of Political Economy.

Knows Canada

No armchair economist, Professor Innis has travelled thousands of miles up and down the Dominion learning at first hand the facts and figures that have made him a top-notch expert on Canadian economic history and economic geography. These trips have taken him up and down the Great Mackenzie River to the Yukon; to Hudson's Bay; as well as to all the more settled regions of the Dominion. He has been a constant visitor to the Maritime Provinces in search of first-hand economic data and was one of the authors of the Royal Commission which recently investigated the economic life of Nova Scotia.

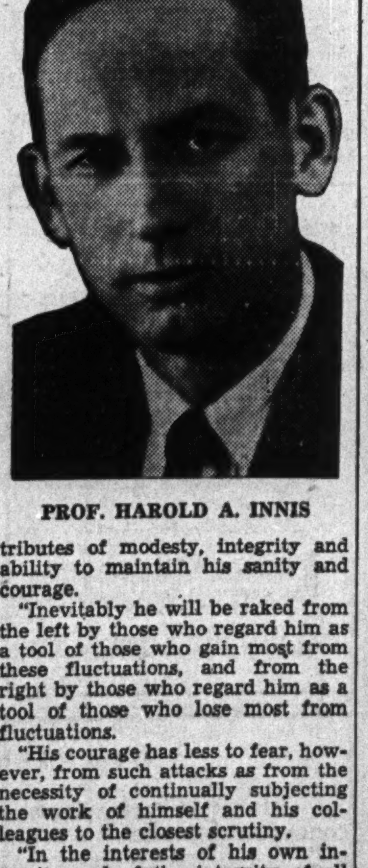
Author of many books and economic studies he has just contributed an important study on "Settlement and the Mining Frontier" as part of Vol. 9 in Prof. Mackintosh's series, "Canadian Frontiers of Settlement." This new volume came off the press last week.

The Innis Credo

The other day I asked Professor Innis if, instead of looking back into the economic story of Canada, he would for a few moments glance ahead and play the rôle of prophet in respect of political economy in this country.

"The political economist in Canada in the future," he said, "is destined to be concerned with the study of the effects of wide and sharp fluctuations in income. His contributions to that study must depend on the extent to which he can appreciate the contributions of students in other countries and on the character of his work in Canada.

"It is scarcely possible to overestimate the difficulties and scarcely necessary to say that it implies at-



PROF. HAROLD A. INNIS

tributes of modesty, integrity and ability to maintain his sanity and courage.

"Inevitably he will be raked from the left by those who regard him as a tool of those who gain most from these fluctuations, and from the right by those who regard him as a tool of those who lose most from fluctuations.

"His courage has less to fear, however, from such attacks as from the necessity of continually subjecting the work of himself and his colleagues to the closest scrutiny.

"In the interests of his own integrity and of the integrity of all concerned—those who gain and those who lose—he can do no other than keep himself constantly alive to this responsibility."

Born Near Woodstock

Professor Innis was born at Otterville, in Oxford County, near Woodstock, in 1894. He graduated from McMaster University in 1916, went overseas and completed his Masters' degree in 1918 on the topic "Occupations In The Army." A few years later, at the University of Chicago, he received a Doctor's degree through his monumental history of the C.P.R. Since then he has been in Toronto.

Maritime Port Bids For Grain

Halifax Body Claims Western Route Unnecessary Loss to Canada

From Our Own Correspondent

HALIFAX.—The flow of grain shipments through Pacific coast ports and thence through the Panama Canal to Liverpool and other ports is an unnecessary loss to Canada, says the council of the Halifax Board of Trade.

The board has placed in the hands of Rand Matheson, chairman of the Maritime Transportation Commission, the duty of looking after the interests of the port of Halifax in this connection. The Halifax board has approved the statement by letter, of the Chamber of Commerce at Port Arthur, that the flow of grain, tending now as it does to flow through western ports, was detrimental to eastern ports.

The Vancouver Board of Trade, also in correspondence, defended the westward trend stating that the increase in western shipments was a result of decreases in grain shipments through United States ports.

War on Glare

No more sun-glare on beaches or from automobile headlights are forecast from the invention of "Polaroid."

What happens is that science has found a new way of polarizing light waves commercially.

Describing what has happened in Today, Harry M. Davis, says, "The term 'polarized light' is definitely a misnomer. It is not a description of a sort of light diffused at the poles, as some people would readily imagine, but simply a relic of laboratory parlance left over from early experiments and theories long since abandoned. A far better name would be 'combed light,' for in the process of polarizing, the tangled light waves are parted and arranged so that they all lie straight in one direction instead of resembling a worried man's hair. In short, whereas ordinary light vibrates in all possible directions—up, down, sideways, etc.—polarized or combed light confines the vibrations to a single direction."

Now Manufactures Crystals

Scientists found they could polarize light by passing it through certain types of crystal, but the best natural crystals came from Iceland and were rare and expensive. Now, a Boston scientist, H. Land, has invented an artificial polarizing medium christened "Polaroid." It is described as "a synthetic array of billions of sub-microscopic crystals, so arranged on a thin film in a cellulosic matrix, that they act like a single large crystal." It can be manufactured in large quantities and in any desired size, thus opening the way to a multitude of new commercial uses.

The first of these is against the glare of reflection. The glare encountered at the beach, for instance, comes from the reflection of sunlight by water and sand. Much of that reflection is polarized. By wearing glasses of Polaroid adjusted so that the "comb" stops the polarized light, much of the glare can be eliminated. By the same token, the photographer has obtained a new tool, while headlight glare—the bane of night motoring—can be entirely eliminated, first by putting Polaroid in the headlights to make them emit a polarized light and then by having the oncoming motorist glance at these headlights through a second piece of Polaroid whose axis is turned at right angles to the first. Thus in place of dazzling light, the motorist sees only a dull glow.

Another important application is 3 dimensional motion pictures in full color.

Libby, McNeill and Libby Co. is completing a large addition to its Chatham, Ont. plant, for use in expanded production schedules for tomatoes and other canned products this year.

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EXECUTORS TRUSTEES : FINANCIAL AGENTS

Think Tariff Unlikely

From Our Own Correspondent

HALIFAX.—Confidence the British Government will not impose a tariff of 2 shillings per barrel on Canadian apples is being expressed by Nova Scotia exporters and growers at Kentville, N.S.

Galvanized Sheets

Production of galvanized sheets in Canada during April, May and June of this year totalled 15,396 tons, the greatest tonnage being reported in any quarter-year period since records were first compiled in 1932.

THE POSTMAN KNOWS

That more than half the homes (60% of the population) in the

MONTRÉAL Postal District are FRENCH

French homes and the others are side by side in every district.

Here in Montreal, if you could walk with a postman on his rounds, he could tell you which houses were occupied by French speaking people — something you could never decide from the name of the street or the appearance of the houses.

For instance, take Postal Walk No. 1, Outremont Bureau — Chemin Cote St. Catherine — a handsome winding street where live people who are prospects for almost any merchandise you care to name. Short of knocking at every door and questioning the householders, there is no way to distinguish between the occupants of the houses. But the Postman knows!

He can tell you that Montreal has no French District — (no English District either) — in every city street — French and English homes stand side by side — the only difference is the language of the lips and eyes of the people inside the doors. Some say "good morning!" — others "bonjour, Monsieur!"

The Postal Department — tabulates, records and lists households as French or English (in which all non-French are included). These Post Office language records are available to any manufacturer or merchandiser.

Compare the percentages in the various districts

Here are some of the official figures: *

	FRENCH	All Others	
Head Office	2026	2358	— Financial District
"C"	15466	1392	— North & South of St. Catherine, East of Bleury
"D"	1924	3768	— "Over the Tracks"
"E"	5344	7541	— North Central Section
"F"	2826	2918	— Industrial Section
"H"	1452	8959	— N. & S. of St. Catherine
"L"	348	6207	— West side residential
"R"	18086	3114	— North East residential
"N"	4231	11581	— Central business & residential
"O"	1025	510	— Cartierville — St. Laurent
"S"	3623	2041	— Factory district
"T"	6373	383	— "East of the Main"
DELORIMIER	25111	7030	Industrial & Residential
HOCHELAGA	15382	3900	Industrial & Residential
LACHINE	2422	2172	— Payroll Division
N.D. de GRACE	1331	13398	— West end residential
OUTREMONT	2628	7151	— Central residential
ST. HENRI	6721	2468	— Industrial
ST. LAMBERT	1471	1929	— and Longueuil — Residential south of River
VERDUN	4517	10480	— Payroll, Residential
	122307	99300	

	FRENCH House-holds	All Others
INDUSTRIAL CITIES		
Sherbrooke	3973	1974
Trois Rivieres	6003	388
INDUSTRIAL TOWNS		
St. Jean	1963	211
Granby	1715	378
Shawinigan Falls	2474	262
RURAL POSTAL DIVISIONS		
Chambly — Rouville	3007	581
" Rural Routes	1190	30
Laval — Deux Montagnes	2414	102
" Rural Routes	1846	52

MONTRÉAL Market District

POPULATION 1,996,255 -- 72.8% FRENCH

This postal delivery analysis agrees with Government Population Census figures, which show that in Greater Montreal 60.8% speak, read, think and buy in FRENCH.

In the nearby Industrial cities and towns the proportion of FRENCH is considerably higher — rising as high as 90.5% FRENCH.

Dealers, too, are mostly FRENCH. Advertising that reaches consumers is effective advertising to dealers. You cannot expect the dealers' full support unless you appeal to ALL his customers. One language only is but half a campaign.

This FRENCH market responds excellently to sales and advertising plans fitted to its needs. The facts presented in these announcements are compiled from Government and other authentic sources by the Montreal La Presse as part of its service to manufacturers and others who wish to develop to the utmost the trade possibilities of this important section of Canada's population.

For full information on marketing conditions write the Business Manager, LA PRESSE, (Canada's French National Newspaper) Montreal, or

S. L. Rees, 213 Metropolitan Bldg., Toronto, Ont.
The Clougher Corporation Ltd., 26 Craven St., London, W.C.2.
William J. Morton Co. { New York Office: 200 Fifth Ave. Chicago Office: 410 N. Michigan Ave.

YOU MAY BE STRONG ENOUGH IN ONE LANGUAGE, HOW ABOUT THE OTHER?

Investment Trends

Billions Supporting High Stock Prices

Opinion Favors Long-Term Uptrend in Stocks Because of Economic and Financial Influences — U. S. Election Potential Disturbance

Both financial and economic influences underlying the upward movement of stocks over the past 3 years still appear to dominate the outlook for share prices. They include:

1. Upward trend of corporation earnings and dividends.

2. Extremely large supplies of investment funds contrasting with comparative scarcity of new financing outside government borrowings.

3. Recovery in various economic fields, particularly in agriculture and building, has still ample scope for expansion, and is continuing in other directions.

Although investment advisers are optimistic over the long-term outlook, they continue to point to disturbing possibilities in the U. S. presidential elections as among the most likely causes of interruption in the stock market this year. The other major source of possible disturbance is international political tension.

There appears to have been a slight diminution of European buying of American stocks which has been a feature of the past year or two. British money has been invested in Canadian newsprint securities.

Two Months Strength

LOOKING back over charted movements of industrial share averages in Montreal, Toronto and New York, there has been a marked upward trend since the first week in June. However, it has been much more pronounced in New York than in Canadian markets. Consequently, chart readers have been watching for indications that Canadian stocks are following the more marked rise in Wall Street.

In the past week, the Montreal Stock Exchange industrial share index rose to 75, the Toronto Stock Exchange figure to about 135. To catch up with the New York rise, the Canadian indices would have to reach 79 and 144 respectively, which would be new peak levels for this year. If the New York rise continues, higher prices here would seem to be the probability.

* * *

Opinion Favorable

INVESTMENT and counsel services express confidence in the long-term outlook for share prices with scattered words of warning over the probability of the inevitable temporary reverses. A group of 5 opinions from leading interpreters of market movements follows:

1. We wish to convey to conservative investors a warning against overdoing the buying psychology at this stage of the market. . . . The longer term prospect remains thoroughly encouraging.
2. Fundamental forces continue to favor the long-term upward trend of the market. . . A fully invested position is now warranted.
3. The potentialities in the present situation do not justify concern over the average level of prices.
4. Employment of a preponderance of funds in good common stocks is called for.
5. Basic factors underlying the stock market continue to indicate higher prices for most stocks.

Widespread circulation of such views among important investors is in itself a contributing factor to the strength in investment markets.

* * *

Billions in Support

PREVIOUS records of financial influences for booming securities markets dwindle to comparative insignificance when considered in the light of revelations in the August report of the Federal Reserve System. In an investigation of large accounts in 98 banks, it was found that these accounts held balances of some $5¼ billions, or about half the total deposits in the group of banks. This, it is stated, represented an increase of nearly 50% since October, 1933, which would mean nearly $2 billions. About half these large deposits, say $2.6 billions, are financial deposits of individuals and corporations. The bulletin states:

"These deposits represent funds held almost entirely for the purpose of investment."

This is confirmation with a vengeance of the many reasoned deductions that the expanded credit base in the United States promises rigid support of high security prices. In its description of how the expansion has come about, the bulletin's remarks are equally applicable to Canada:

"Growth in deposits of financing institutions and other investors since 1933 has been part of the general growth of all classes of deposits. The most important factor in this increase has been the expansion in total loans and investments of banks."

Actually, there has been little expansion of bank loans, but investments have risen enormously. More money is being created in the form of credit. Naturally this is inflationary, and the direction of the funds has been into liquid investments, bonds and stocks. While this shows no sign of stopping, the feeling is growing that the tendency to raise prices and the cost of living may become more pronounced.

* * *

Bulls on Canada

CANADA and Newfoundland easily rank first in the total of U. S. investments abroad. British North America, in fact, is a more important sphere of investment for American funds than the entire continent of Europe, or the continent of South America.

The U. S. Department of Commerce compiles total American long-term investments in foreign countries as follows:

American Long-term Investments In Outside Countries
($ millions at the end of 1935)

Canada and Newfoundland	3,764
Europe	3,543
South America	2,937
West Indies	1,107
Mexico and Central America	897
Asia	820
Oceania	405
Africa	132
Total	*12,605

*Adding $125 millions of bank capital and deducting $1,100,000,000 of repurchases of investments by foreigners, net total long-term investments abroad is $12,630,000,000.

Little wonder that Canadian stock markets follow U. S. trends. Nor is there much doubt that the effects of the huge credit base underlying strength in American securities are being felt and will be felt in Canada.

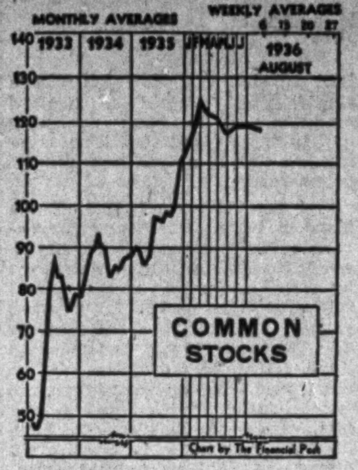
Sisters of Charity Offer Bond Issue

$1.5 Million of Refunding Bonds Underwritten by Syndicate

An issue of $1.5 million of 4% first mortgage serial bonds of the Sisters of Charity of Quebec has been underwritten by a syndicate composed of Ernest Savard Ltd., Beaubien & Co., and Dube, Leblond & Co., and are being offered at 101 plus accrued interest. The bonds are dated June 1, 1936, and mature serially June 1, 1938 to Dec. 1, 1951, $1,142,000 falling due on the latter date.

Purpose of the issue is to provide funds for redemption of $1.5 million of 5½% first mortgage obligations of the Saint Sacrement Hospital, Quebec, issued in 1926.

In addition to being a charge on the general credit of the order the bonds are secured by a first mortgage on the Saint Sacrement Hospital, Quebec, valued at $1.6 million, and the Youville de Giffard Orphanage valued at $500,000. In both cases values are shown after allowing for depreciation.



STEADY

Common stock prices averaged 119.4 for July in the Dominion Bureau index. In the first week of August, the index was down slightly but it has recovered subsequently. Comparative indices appear on this page.

C.N.E. Bookings Up 16 Per Cent

Heading rapidly into its best year since 1929, officials of the Canadian National Exhibition of Toronto report the demand for space among exhibitors this year to be 16% better than in 1935.

Since 1935 bookings were almost 14% above the low point in 1933, this means a gain of almost one-third from the low point of the depression.

Not only do indications point to the best year since 1929 but in several major lines, officials report bookings back to the level of that year. These lines include the National Industries Show, Manufacturers' Buildings, No.'s 1 and 2, Food Products, Automotive and Government Exhibits.

A feature of the 1936 exhibition will be the return after a lapse of several years of the construction industry which will be back again to show its new wares and products to the public.

Total space for exhibits in this $21 millions exhibition plant is now in excess of 2,250,000 sq. ft. The show spreads across 350 acres on a 1½-mile front. Distributors are not only taking more space this year but are spending considerably more money on new equipment for their booths.

Union Gas Shareholders Get Good and Bad News

Earnings, Dividends Rise But Croll Threatens Rate Smashing Campaign

MAY TAKE OVER

Investors received both good and bad news last week with regard to their investment in common stock of Union Gas Co.

The good news was that the directors August 7 declared a dividend of 12½ cents a share, payable September 15 to holders of record August 20. The last previous payments were 10 cents a share June 15, 1936, and 10 cents a share in May, 1935. At the same time shareholders were told that consolidated net profits of the company and its wholly-owned subsidiaries, Windsor Gas Co., Ltd., and City Gas Co. of London, for the first quarter ended June 30 of the current fiscal year, were $126,410 after all charges including depreciation but before income taxes compared with profits of $108,853 for the same quarter of the preceding year. The gain resulted from increased sales of gas, particularly in the London market.

Wants Rates Lowered

The bad news from the standpoint of the investor is that Hon. David Croll, minister of municipal affairs, announced on the same day a campaign to compel Western Ontario natural gas companies to drop their rates "to a reasonable level." The campaign will be waged by the Ontario government "with the co-operation of the municipalities." Mr. Croll promised "a fight to the finish" and claimed that monopolists have been exploiting the citizens. He was determined, he said, to force rates down throughout all Western Ontario.

Mr. Croll's opening shot has been to withhold approval from Windsor City's by-law endorsing renewal of the municipal agreement with the Union Gas company. A curious part of the situation is that all rates have been subject to review by a referee which was supposed to be a protection both to the company and to the municipalities that rates charged would be reasonable.

Says Reserves Are High

Mr. Croll thinks the referee made a mistake 5 years ago when refusing to allow revision of the Windsor franchise. Reason given was that the natural gas supply was stated to be at point of exhaustion. Mr. Croll says the case of the gas companies that a gas famine threatens Western Ontario is no longer tenable and that that story has been told for 20 years. The gas reserves are now at their highest point, he said, and he believes there is a prospect of abundance for 25 years at least.

Mr. Croll thinks that an amortization rate of from 8 to 10% on plants and lines is ridiculously high at a time when government bonds sell on a 3% basis. He says company wrote off the value of its plant not once but twice. They based their rate to the consumer on a price of 25 cents a thousand cubic feet at the well-head, the price they pay to the independent producer, but a large part of their gas comes from the farmer who owns a well or two on his property, said Mr. Croll. The farmer, he said, gets the same "pittance" he got 20 years ago before "exorbitant" rates were charged the municipalities. Mr. Cummings, deputy minister, is calling a meeting of municipal representatives at London soon to discuss the matter.

Control Gas Like Hydro

Mr. Croll states the Ontario government can do with natural gas what it has already done with electric power. In other words, he envisages the possibility of government ownership of natural gas resources and distributing facilities. If it comes to that point it might necessitate the expropriation of Union Gas Co., but the lines of the fight to follow will probably be laid down in the London meeting.

The company shareholders, after getting very little in the way of dividends, were just looking forward to a period of improving earnings and dividends. The company itself was able to convert a large part of its bonded indebtedness and that of subsidiaries to a lower rate 6 months ago.

In the prospectus issued in connection with the sale of $4.5 millions of Union Gas Co. of Canada first mortgage bonds no representations were made as to validity of franchises but 2 statutes of Ontario were quoted as affording in actual practice a great measure of stability and protection.

Company Thinks Law Protects

The Natural Gas Conservation Act, administered by the Minister of Mines, has as its primary object "the conservation and control of production, transmission, distribution and sale of natural gas in the province." The act providing "that no new rates and no alterations in existing rates for natural gas may be put into effect unless and until approved by the referee appointed under the said Act, whose decision is subject to an appeal to the Appellate Division of the Supreme Court of Ontario" is a basic part of the security which bondholders look to for protection of their investment. The question is, can the Ontario government override this provision?

Many also invested after learning that the Municipal Franchises Act provides that no person shall without the approval of the Lieutenant-Governor-in-Council, which is the Ontario Government, construct any works to supply natural gas or supply natural gas in any municipality which he was not supplying gas to on April 1, 1933. That approval, it is expressly provided in the Act, will be withheld "unless and until the Ontario Municipal Board certifies in writing to the Lieutenant-Governor that public convenience and necessity appear to require that such approval be given." That Act also permits an appeal to the Supreme Court from the decision of the Board.

Franchises Vary

The natural gas produced by the Union company and subsidiaries is distributed and marketed by virtue of franchises granted by various municipalities throughout the areas served. Most of these franchises have been in existence for many years. They vary in their terms and conditions, are not exclusive, extend for different periods and, in some instances the period of the franchise has over-run. The prospectus states the company has experienced no difficulty either in operating under their franchises or continuing to operate where the period of a franchise has over-run. Franchises from time to time, as favorable opportunity arises, are renewed.

It would appear from this that the confidence of the company has been misplaced in thinking the referee and the Ontario Municipal Board sufficient protection on maintenance of reasonable rates now that the Minister of Municipal Affairs threatens expropriation. He abandons the position of judge for that of campaigner in this case. It would appear that reference to the Supreme Court is the last line of defense for the company. The precedent of Hydro would indicate that if Hon. Mr. Croll is sincere in his threat of government ownership the situation of the company will not be so good. The Government can nearly always win in a fight with a company.

As a result of the recent bond conversions the company is in a better position to sustain this campaign for lower rates. It has sold its holdings of bonds of subsidiary companies and thus has improved its working capital. It still holds $450,000 of general mortgage bonds of United Fuel Investments, Ltd., of Hamilton. A possible result of the campaign for lower rates, however, may be a hampering of the plans for further development of gas reserves and extension to other Ontario markets. Until the lines are clearly drawn capital will be averse to entering the field.

S. A. Morse, president of Union Gas Co., denies that the natural gas business is a monopoly because Hydro and other fuels give keen competition. Rates compare favorably with Hydro, he states, and Mr. Croll was wrong in saying that "the little consumer has been squeezed mercilessly." If Mr. Croll's statements were true the company would have lost its business to its competitors, he said.

M. & O. Reports Little Progress

"Nothing new to report," is the statement of trustees of Minnesota & Ontario Paper Co. with regard to reorganization of the company.

The trustees of the M. & O. receivership, C. T. Jaffray, R. H. M. Robinson and S. M. Archer, have made their eighth report to the U. S. District Court at Minneapolis, covering the first half of 1936.

The trustees state they understand progress on reorganization "is mainly dependent upon substantial improvement in the price situation." This, of course, has not occurred, and meanwhile the company is not able to show substantial earnings.

Marked increase of demand in all branches except lumber is reported by the trustees.

Demand for Insulite exceeds last year's by more than 100%.

Practically all plants have been operating at capacity, it is stated, and some reductions in operating costs have been obtained. In the light of this high volume, the improvement in net income seems modest. Comparative income figures appear on page 17.

Investment Notes

Brazilian—There is talk emanating from London that another cash dividend may be paid this year, but this is entirely unofficial. It will be recalled, however, that such reports earlier this year preceded the payment of 30 cents a share. There is a good deal of scepticism in financial quarters over the present dividend talk.

* * *

Ford of Canada—Dealers expect 1937 models to be somewhat smaller, and considerably changed from the general lines of the 1935 and 1936 cars. Something along the lines of the wind-streamed Lincoln Zephyr is suggested for about early October. Recent strength of the shares lifting them above $20 is apparently based on expectancy of improved volume.

* * *

Langley's Ltd. — New cash and carry retail service of the Toronto cleaners has increased volume substantially. It remains to be seen, however, whether this change from the former pick-up and delivery service will bring back satisfactory profits.

* * *

Royal Bank—In a circular on shares of The Royal Bank of Canada, W. C. Pitfield & Co. comment: "We understand that profits this year have been showing an upward trend ....and we might point out that this improvement does not reflect the last reduction of ½% in interest paid on savings....There seems little doubt but that the present dividend of 8% is secure and that shareholders may anticipate that the rate of dividend will be raised ultimately ....At the current price of approximately 175 the stock gives an attractive yield of over 4½% and, in our opinion, offers possibilities of considerable appreciation."

* * *

International Petroleum—Well-informed opinion continues to favor retention of present holdings or purchase of the shares around $35.

* * *

Agnew-Surpass—Preferred stock of the shoe store chain in the hands of the public was reduced 167 shares in the year ended May 30, 1936. The amount was 9,362 shares compared with 9,529 shares in 1935. Shares taken off the market are held by the subsidiary, John Ritchie Co., Quebec, which owns 638 preferred and 476 common. Agnew-Surpass earnings actually increased in the 1935-36 year but look slightly lower because in the preceding year there was a profit of over $10,000 on sale of securities and taxes were lower.

* * *

Fanny Farmer—Strength in the shares which has lifted them above 16 is attributed to the possibility that dividends will be increased on account of new U. S. taxation of undistributed income.

* * *

General Steel Wares—Rumors of possible action on preferred dividends, or on plans to deal with arrears, appear somewhat premature. Although President J. C. Newman reported moderate improvement in business early this year, there are new influences such as tariff changes and crop damage that affect operations. Earnings were $3.59 a share on the preferred last year against $2.36 in 1934.

* * *

Montreal Power—Below $32 the shares are receiving widespread recommendation for investment purposes.

* * *

Dominion Stores—The recent rise to $10 has been impressive in view of the large loss of $610,000 in 1935, and that of $37,000 for the first 24 weeks this year. It should be remembered that the best results are usually obtained in the second half of the year.

* * *

Union Gas — Compared with a high of $16¾ and a low of $9 this year, the shares slipped back below $12 this week on fears of arbitrary treatment of the company by the Ontario government. This was a sudden come-down after the raising of the quarterly dividend from 10 cents to 12½ cents. Provided there is no unusual interference with rates, which appear to have been modest, the shares still hold favor with important investors around $11 to $13.

* * *

Nickel, Noranda—Can it be that opposition to further advance in these shares is a hangover from 7 years ago? It will be noted that nickel hasn't made much progress above 50 and that Noranda has apparently levelled out above 60. True, these prices represent enormous improvement over depression low points. It may be, however, that many open selling orders on brokers' books originate with those who bought near the peaks of 1929.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.5	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
Weekly Figures, 1936:										
Aug. 6	127.5	18.9	87.5	219.3	68.8	156.8	128.9	189.3	53.4	118.5

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Aug. 11	134.30	144.45	145.27
Aug. 10	134.54	143.76	145.36
Aug. 8	133.62	143.67	144.06
Aug. 7	133.75	146.10	143.90
Aug. 6	132.96	145.20	141.99
Aug. 5	133.18	145.77	141.54
Month ago	133.84	142.26	135.54
Year ago	110.15	102.17	92.80
High, 1936	143.48	150.46	148.12
Low, 1936	125.71	115.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Aug. 11	71.3	74.8	73.6
Aug. 10	71.5	75.0	73.8
Aug. 8	71.7	74.7	73.7
Aug. 7	72.0	74.6	73.8
Aug. 6	71.8	74.2	73.4
Aug. 5	72.0	74.8	73.8
Month ago	69.2	75.3	73.3
Year ago	63.0	59.3	60.5
High, 1936	73.4	78.4	76.6
Low, 1936	67.2	68.5	68.5

Viau Biscuit Plans Change

Meetings to Consider Reorganization and New Name

Special meetings of shareholders of Viau Biscuit Corp. are to be held at Montreal, August 20 to consider a change of name to Viau Limited and proposals for reorganization of the capital.

The reorganization proposals would alter provisions of the $946,000 of 7% first preferred shares by reducing the dividend rate to 5% and the redemption price of the stock from 115 to 100. The new dividend rate would be cumulative from Jan. 1, 1937, with the first quarterly payment due April 1, 1937. Holders would receive 2 new common shares in compensation for arrears of dividends to Dec. 31, 1936.

To Reduce Shares

Holders of the $470,000 of second preferred stock would receive 5 new common shares for each $100 preferred share held. Dividend arrears would be cancelled.

Present common shares would be exchanged for new common stock, 5 of the present shares for one of the new.

No change is proposed in respect of the $318,400 of 6½% mortgage bonds, due 1946.

The proposed capital reorganization would result in distribution of the new capital to the various shareholder groups as follows:

Viau Biscuit Capitalizations

Present shares:	New Capital 5% Pref. $	New Capital Common shs.
9,460 7% 1st pref.	946,000	18,920
4,700 7% 2nd pref.	......	23,500
25,000 common, no par	......	2,500
New capital	946,000	44,920

The authorized amount of new 5% preferred would be $1.5 million, and of common, 100,000 shares.

Theophile Viau, president, informs shareholders that directors are of the opinion that the company will be able to pay a 5% dividend on the proposed first preferred stock regularly beginning April 1, 1937. The reduction in capital, he says, will correspond to the actual value of the company's assets.

Earned $2.65 a Share

In the 13 months ended Jan. 31, 1936, the company earned $2.65 a share on the present 7% preferred stock. This compares with $2.40 a share in the 12 months ended Dec. 31, 1935, and nothing at all in 1934 and 1933.

Working capital was increased from $298,379 at the end of 1933 to $403,884 at Jan. 31, 1936.

Exchange Ticker Service Is a Mechanical Wonder

Highly efficient ticker service of Canadian National Telegraph Co. in the new Toronto Stock Exchange building will be even prompter and more efficient as a result of the concentrating of trading in industrial and mining shares on one floor. Established in February of 1933 to meet the growing requirements of the Standard Stock & Mining Exchange, the merger of this exchange with the Toronto Stock Exchange presented the company with the problem of doubling its service and its clientèle, of reporting from 2 trading floors at once and of making the service prompt and accurate. It succeeded admirably.

It is claimed the high-speed ticker service is capable of handling market transactions at the peak of trading activity without a second's delay. Instantaneously the thousands of quotations and transactions are stamped out on tickers in brokers' offices from coast to coast.

This motion picture of trading on the Exchange is one of the marvels of the present-day brokerage business. Back before 1879 messenger boys delivered quotations and gave a 20-minute service. Only 15 stocks were covered in this service by the agile boys. Then the old Montreal Telegraph Co. began to improve matters after 1880.

STEADILY FORWARD

PROOF of the inherent soundness of our economic structure is found in the steady advance of Canadian industry from February 1933. In the entire field of industrial production, Canada has shown an improvement of 81.6%. Mining is up 81.4%; production of iron and steel 369%; automobiles 331%.

We recommend:

Union Gas Co. of Canada 4½% 1950, yield 4.54%

Hamilton By-Product Coke Ovens 6's 1956, yield 6.04%

International Bronze Powders 6% Participating Preferred, yield 5.17%

Power Corporation 6% Preferred, yield 5.88%

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Valuable Saskatoon, Saskatchewan Real Estate for Sale by Tender

As authorized by Court Order I offer for sale the following parcels of land forming part of the assets of City of Saskatoon Real Estate (Drinkle) Corporation Limited, namely:

PARCEL A, being 61.34 acres in N.W. ¼ 33-36-5 W. 3rd, facing on Avenue A and 33rd Street which includes 21 acres of first class sites for industrial plants or warehouses served by both C.N.R. and C.P.R. Railways and also includes 41 acres suitable for residences or institutions.

PARCEL B, being 120 acres in S.W. ¼ 4-37-5 W. 3rd, being immediately north of said parcel A and consisting of valuable garden land suitable for future residential purposes or for large industrial sites being readily accessible to both railways. Said land is available en bloc or in areas to suit purchasers—blue prints of proposed plans of survey and description of land will be sent on request. All land is within City limits. Parcel A adjoins Provincial Normal School and Robin Hood Mill sites and both parcels flank fine residential areas—land has earning capacity for market garden purposes pending more permanent future use.

TENDERS in writing for all or any part will be received up to October 10th, 1936—no tender necessarily accepted.

Address all tenders to George Allen Martin, Receiver and Manager, City of Saskatoon Real Estate (Drinkle) Corporation Limited, Saskatoon, Saskatchewan, or to his Solicitors, Stevenson, McLorg and Bence, Birks Building, Saskatoon, Saskatchewan.

Bond Markets

Quebec Power Bonds Record Sharp Rise

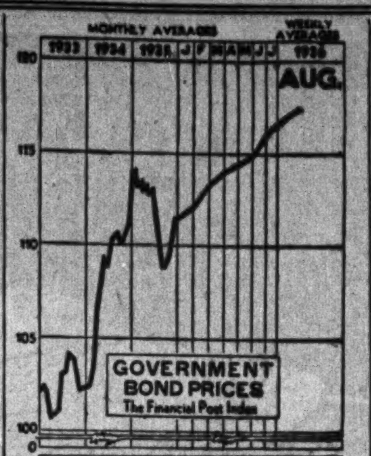
High Grade Government Issues Continue to Advance to New Peaks — Market For Western Bonds Thin

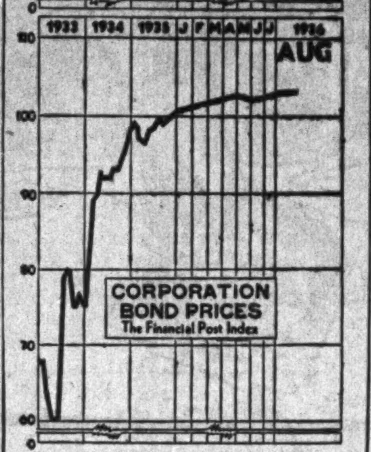
Despite the fact that the volume of trading is comparatively small the high grade government bond market continues to advance to a new peak almost daily.

The feeling in bond circles is that the current upward trend can be expected to continue. Further advances, however, will probably be of a minor character. Certainly, no major recession can be looked for in the near future since there is little possibility of any other major outlet for investment funds developing.

Great Lakes Power Co. issue of $4.2 millions of 4¼% first mortgage bonds should prove attractive to individual and institutional investors alike. Earnings of the company have always been sufficient to meet interest requirements.

Featuring the corporation bond market have been advances in prices of Quebec utility bonds such as Ottawa Valley Power, Maclaren-Quebec Power, Shawinigan Water and Power, Gatineau Power and Beauharnois Power. Ottawa Valley Power 5½'s have advanced 3½ points to 83½ and Maclaren-Quebec issues 3½ points to 86½ and 85½. Reflecting improved sentiment and demand prices of Beauharnois Power bonds have advanced to 43 bid and of Beauharnois Light, Heat and Power bonds to 101½ bid.





Western Bonds

COMPARATIVE strength of British Columbia bonds among western provincials is attributed partly to intermittent purchasing for the provincial sinking fund and for other similar funds of the province.

The market for western bonds is thin, there being few of the securities available. Low prices are due chiefly to the fact that bond buyers are refraining from making bids for western bonds because of nervousness. It would not take very large orders to move the bonds considerably above present levels, but such purchasing does not appear to be in sight.

There is considerable feeling among bond dealers that at present low prices the various western bonds represent reasonably good long-term gambles. It is conceded that they may go lower in some cases, particularly Alberta issues, but numerous dealers feel that in the long run the securities may be worth more money.

• • •

Newsprint Bonds

DEFAULTED newsprint bonds have recovered some of the ground lost during the recession caused by the action of Great Northern Paper Co. in contracting for 1937 newsprint deliveries at $42.50 a ton. The general feeling in bond circles is that the effect on the newsprint industry will not be as widespread as that which attended the nominal $1 increase announced by this producer a year ago.

In some quarters it is felt that a sellers' market is developing, and without doubt co-operation between Canadian producers has improved. Demand for newsprint is gradually creeping up on productive capacity. Although U.S. publishers will no doubt try to keep price down, it is generally conceded that the price of newsprint will eventually recover further.

Since Canadian producers are expected to recognize $42.50 a ton as the base price for 1937, it is possible there will be a lessening of interest in newsprint securities. The activity of recent months has been predicated on the possibility of a sharper advance in price.

• • •

Bond Index

CORPORATION bonds as well as high grade government issues continue to record a strong trend. The general course of the high grade bond market during recent sessions is indicated below:

The Financial Post Average Price and Yield for High Grade Government Bonds

1936	Price $	Yield %	1935	Price $	Yield %
Aug. 11	117.61	2.990	Aug. 12	113.41	3.454
Aug. 10	117.51	3.007	Aug. 10	113.46	3.450
Aug. 8	117.43	3.016	Aug. 9	113.36	3.459
Aug. 7	117.31	3.023	Aug. 8	113.14	3.474
Aug. 6	117.14	3.046	Aug. 7	113.09	3.466
Aug. 5	117.08	3.051	Aug. 6	113.11	3.484
Aug. 4	117.02	3.054	Aug. 3	113.12	3.483
Year's	117.51	3.007	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

Coffee From Jamaica

Imports of coffee during June into Canada were 3,420,952 lb. compared with 3,447,503 in June of 1935. Jamaica was far in the lead as the source of Canadian coffee imports, with 1,445,398 lb. Brazil, Colombia and British East Africa followed in that order.

Beauharnois Passes Plan Of Exchange

5½% Bonds Approve Exchange Into Montreal Power 3½% Bonds

By unanimous vote, holders of $22,088,200 of the 5½% first mortgage bonds of Beauharnois Light, Heat & Power Co. this week approved the offer of Montreal Light, Heat & Power Consolidated to exchange its 3½% bonds, due 1973, for the Beauharnois 5½'s.

The meeting approved the general resolution necessary to revise the trust deed for the Beauharnois 5½% first mortgage bonds.

Montreal Power's offer to exchange its 3½'s for the Beauharnois 5½'s remains good up to Aug. 28 next, but Montreal Power is not obligated to make the exchange if less than 80% of the bonds held by the public are deposited.

Amounts and Deposits

At this week's meeting, $22,088,200 of the issue of $38,155,900 was represented. Of the total issue, $4,795,363 is due from Montreal Power as underwriter of the issue and another $10 millions are owned by Montreal Power. Therefore, the approval at the meeting, although unanimous, included less than 80% of the $23 millions of bonds held by the public. However, bonds may be deposited with the Montreal Trust Co. for exchange to make up the 80% by Aug. 28.

It is understood that about 50% of the public's holdings of Beauharnois bonds has already been turned in to the trust company for exchange. Montreal Power also reserves the right to make the exchange even if deposits total less than 80%.

Income Interest

In approving the resolution, bondholders voted to allow deferment of commencement of the sinking fund on the Beauharnois 5½'s from Oct. 1, 1942 to 1945. Interest on the 5½% bonds will become non-cumulative, payable only if earned.

The coupon, due July 1, 1936, on the 5½% issue was not paid, but bondholders who exchange for Montreal Power 3½'s will be paid July 1 interest on the new securities. Consequently, it is expected that deposits of Beauharnois 5½'s for exchange into the Montreal Power 3½'s will proceed rapidly.

The Quebec Electricity Commission approved the Montreal Power deal conditional upon refunding of the Beauharnois 5½'s if conditions become favorable. The 5½'s would mostly be held by Montreal Power and the commission requires that any possible saving on interest be passed on to holders of Beauharnois junior securities such as the 5% collateral trust bonds.

5% Bonds Strengthen

So far there has been no official indication of a plan to exchange new securities for the Beauharnois 5% issue, although it has been rumored in financial quarters. The 5% bonds have been strong, however, due apparently to the elimination of the danger of foreclosure on the first mortgage and to the possibility that eventually there will be some income for the issue. Interest does not become due on the 5% bonds until April 1, 1938, accruing from Oct. 1, 1937.

Holders of the 5% bonds are to meet in Montreal Aug. 20 to appoint a protective committee. Their meeting has been adjourned twice for lack of a quorum, but at the third meeting whatever number of bonds is represented will constitute a quorum automatically.

Reasons for Scheme

Modification of the terms of the 5½% first mortgage bonds became necessary as a result of cancellation of the Ontario Hydro contract to buy power from Beauharnois. This repudiation left Beauharnois with inadequate revenue from its contract with Montreal Power to pay its first mortgage interest. Since Montreal Power has a large interest not only in the first mortgage bonds but in its control of the Beauharnois common stock, the plan of exchange of 3½% bonds for the Beauharnois first mortgage 5½'s was proposed.

Exchange of the Beauharnois 5½'s for Montreal Power 3½% bonds will remove the pressure of possible bankruptcy from the Beauharnois enterprise.

The meeting of holders of 5½% bonds was held at Montreal. About 30 bondholders were represented in person, most of the voting being by proxy. The meeting lasted some 2½ hours.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads payable in advance.

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Position Wanted

BY HONOR GRADUATE of Commerce and Finance. A Toronto resident desiring a position with enterprising company in or out of City. 24 years old, tall, good appearance and background. Further particulars upon request. Box 360, The Financial Post, Toronto.

"The Ontario Municipal Board"

Notice is hereby given that the Municipality of the Town of Sturgeon Falls has become subject to the provisions of Part III of "The Department of Municipal Affairs Act, 1935," by an order of The Ontario Municipal Board bearing date the Twenty-fourth Day of July, A.D. 1936, and from and after the first publication of this notice in the "Ontario Gazette," all actions of proceedings against the said Municipality are stayed, and thereafter no action or other proceeding against the said Municipality shall be commenced or continued, nor shall a levy be made under a Writ of Execution against it without leave of "The Ontario Municipal Board."

Dated this 24th day of July, A.D. 1936.

M. B. SANDERSON,
Acting Secretary of the Ontario Municipal Board.
Chairman.

NOTICE TO DEBENTURE HOLDERS AND CREDITORS

Of the Former Municipalities of

EAST WINDSOR, WALKERVILLE, WINDSOR AND SANDWICH

And Debenture Holders of Walkerville — E. Windsor Water Commission

NOTICE OF APPLICATION TO THE ONTARIO MUNICIPAL BOARD

In the matter of "The Department of Municipal Affairs Act, 1935" and in the matter of "The City of Windsor (Amalgamation) Act, 1935" and in the matter of the application of the Windsor Finance Commission for an order for funding and refunding the debts of the amalgamated municipalities of East Windsor, Walkerville, Windsor and Sandwich.

TAKE NOTICE that the Windsor Finance Commission have this day filed a Plan for Funding and Refunding the debts of the Amalgamated Municipalities of East Windsor, Walkerville, Windsor and Sandwich and have applied to the Ontario Municipal Board for an Order of the Board approving, authorizing and confirming the said Plan and ordering the same to be binding upon all persons affected thereby;

AND FURTHER TAKE NOTICE that the Board intends to deal with this application at its Board Room in the Parliament Buildings, Toronto, on Tuesday, the twenty-second day of September, 1936, at the hour of eleven o'clock in the forenoon and that the Board, if the facts and conditions as shown so warrant, intends to exercise any or all of the powers conferred upon the Board under Section 33 of "THE DEPARTMENT OF MUNICIPAL AFFAIRS ACT, 1935."

DATED at Toronto this seventeenth day of June, 1936.

(signed) Eric W. Cross,
Chairman

(signed) M. B. Sanderson,
Acting Secretary

Debenture Holders or Creditors desiring detailed information of the Plan should address their inquiries to the Fiscal Agent:—

C. W. McDIARMID,

Canada Building, Windsor, Ontario — Metropolitan Building, Toronto, Ontario

Municipal Finances

Sarnia, Ont., has authorized its city treasurer to offer for sale over the counter $14,604 of 4% debentures at par, plus accrued interest. Proceeds of the issue are to be used to cover cost of semi-relief work done in 1935.

• • •

St. Lambert, Que., bondholders will have to take second place to the banks in receiving payments from the municipality. Before any payments can be made to bondholders, certain sums owing to the banks must be paid. It is expected that supervision of the bankrupt city's affairs by the Quebec Municipal Commission will result in important economies.

• • •

Toronto, Ont., is urged by Finance Commissioner George Wilson to avoid expenditures on public works for relief purposes, with or without government grants. In his annual report to the city council, Mr. Wilson contends that such works are undesirable and expensive for the reason that unskilled labor increases the cost to an extent which usually offsets the government contributions. The report adds that municipalities which seek government grants, as a benefaction, seem to entirely overlook the fact that the burden of such grants must ultimately fall upon the municipal taxpayer in the form of increased federal and provincial taxation.

• • •

Brandon, Man., has been notified that the provincial government is willing to guarantee a loan of $24,157 from the Imperial Bank of Canada in order to enable the city to meet outstanding relief accounts.

• • •

Montreal, Que., has been promised a new deal by Hon. T. D. Bouchard, minister of municipal affairs for Quebec, in the event that the government is re-elected. In a recent broadcast he stated that not only would the system of government be altered to the extent of separating its legislative from its administrative powers, but its methods of taxation modernized, and relief given to property owners from their present heavy burden.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
B. A. Oil	‡4%	1945	Sept. 1	102½
Dom. Canners .	6%	1940	Oct. 1	110
Mt. Royal T.&T.	5%	1970	Oct. 13	105
Thetford-Vimy .	7%	1944	Sept. 1	100
Silverwood's A .	6%	1942	Sept. 1	103
Toronto Carpet	*6%	1944	Sept. 1	103
Tor. Conser. of Music	5%	1948	Sept. 1	103
Ottawa L. & Pr.	•5%	1957	Oct. 1	104
Wood, Alex. & J.	†6%	1944	Aug. 17	§
Prov. L. H. & Pr.	▲5%	1946	Sept. 1	100

For sinking fund: ‡$222,000; *$33,000; †$22,350; ▲$55,000; •$70,000.

§Tenders for purchase of bonds for sinking fund.

Stock Issues:	Rate	Stock	Date	Price
Ottawa L. & Pr.	6½%	Pref.	Oct. 1	105

Religious Issues

Notre D. Hospital, Montreal, 5½%, Oct. 1, 102.

Jesuit Fathers of Upper Can., 5%, Nov. 1, 100.

Bond Tenders

Aug. 18, Sch. Comm., Ville La Salle, Que.—$4,000, 5% bonds, redeemable serially from July 1, 1937 to July 1, 1946.

Aug. 18, St. Hyacinthe, Que.—$25,000, 4% bonds, redeemable serially from 1937 to 1966.

12 noon, Aug. 14, Canada Treasury Bills—$20,000,000, dated Aug. 15, 1936, due Nov. 16, 1936. Bank of Canada, Ottawa.

We offer:

$100,000

DOMINION OF CANADA

Gtd. Canadian National Railway Company

4½% BONDS

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PAYABLE CANADA, LONDON AND NEW YORK

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TO YIELD ABOUT 3.23%

BELL, GOUINLOCK & CO.

LIMITED

MONTREAL — 25 KING STREET WEST TORONTO, CANADA — WINNIPEG

TELEPHONE: ELGIN 2236

New Issue

$4,250,000

Great Lakes Power Company, Limited

4¼% First Mortgage Sinking Fund Bonds Series "A"

To be dated September 1st, 1936. To mature September 1st, 1956.

Principal and half-yearly interest (September 1st and March 1st) payable at the holder's option in lawful money of Canada at the principal office of the Company's bankers in Toronto, Montreal, Winnipeg, Vancouver, Saint John or Halifax. Coupon bonds in denominations of $1,000 and $500 registerable as to principal only. Redeemable in whole or in part at the option of the Company at any time prior to maturity on sixty days' notice, at 104 on or before September 1st, 1941, at 103 on or before September 1st, 1946, at 102 on or before September 1st, 1951, at 101 on or before September 1st, 1952, and thereafter and prior to maturity at premiums decreasing ¼ of 1% per annum, together in each case with accrued interest.

Annual Cumulative Sinking Fund, commencing September 1st, 1939, amounting annually to 1% of the total of Series "A" Bonds issued, plus an amount equal to interest on Bonds retired through the Sinking Fund.

Trustee: National Trust Company, Limited.

In the opinion of Counsel, these Bonds will be a Legal Investment for Insurance Companies registered under the Canadian and British Insurance Companies Act, 1932.

Information from a letter dated August 7th, 1936, from John A. McPhail, President of Great Lakes Power Company, Limited, has been summarized as follows:

The Company

Great Lakes Power Company, Limited, was incorporated under the laws of the Province of Ontario in 1931 to amalgamate The Great Lakes Power Company, Limited, established in 1916, and The Algoma District Power Company Limited, the latter having been a subsidiary of Middle West Utilities Company of Canada Limited, which now controls Great Lakes Power Company, Limited. Great Lakes Power Company, Limited, owns and operates two hydro-electric plants, one at Sault Ste. Marie on the St. Mary's River, and one at High Falls on the Michipicoten River. In addition, the Company holds rights for the development of power on the Montreal River, on which River it is now proceeding with the development of 10,000 h.p. The Company also holds perpetual water rights for the use of 20,000 cu. ft. of water per second, continuous flow, on the Canadian side of the St. Mary's River. The Company supplies hydro-electric power to Sault Ste. Marie, Ontario, and the surrounding area in the Algoma District, including ten communities in the vicinity of Sault Ste. Marie.

The total installed capacity of the Company's plants, including 10,000 h.p. under development, is about 64,000 h.p., together with 12,000 hydraulic h.p. which is sold under long term contract to the Abitibi Power and Paper Company from the power canal. The Company has more than 440 hydro-electric customers, including industrial, commercial and domestic consumers. Transmission lines owned by the Company consist of about 214 miles of line of 6,600 volts or over.

Capitalization

(After giving effect to present financing)

	Authorized and to be Authorized	Issued and to be Outstanding
First Mortgage Sinking Fund Bonds (present issue)	$15,000,000	$4,250,000
5% General Mortgage Bonds, due September 1st, 1957	2,000,000	2,000,000
$7 Preference Shares, Series A Cumulative No Par Value	26,000 shares	7,500 shares
Common Shares, No Par Value	70,000 shares	30,000 shares

Earnings

Earnings of the Company and its predecessors for the five years ended December 31st, 1935, after deducting operating expenses, but before providing for bond interest and expenses in connection therewith, general interest, Dominion income taxes, retirement allowance and non-recurring items, based on published statements certified in 1931-1933 by Deloitte, Plender, Griffiths and Company, Chartered Accountants, Toronto, and in 1934-35 by Riddell, Stead, Graham & Hutchison, Chartered Accountants, were as follows:

Year Ended Dec. 31st	Earnings	Retirement Allowances	Balance
1931	$514,996.09	$ 98,107.29	$416,888.80
1932	500,608.42	90,223.58	410,384.84
1933	528,369.43	95,966.64	432,402.79
1934	606,951.32	150,153.19	456,798.13
1935	655,821.84	119,932.39	535,889.45

Interest requirements of this issue will be $180,625. The above earnings from 1932 to 1935 are for the present Company, Great Lakes Power Company, Limited. For 1931 the earnings are the consolidated earnings of The Algoma District Power Company Limited and The Great Lakes Power Company, Limited, which were amalgamated during 1931.

Earnings of the Company for the six months ended June 30th, 1936, (subject to audit), available for bond interest and retirement allowance on the above basis, amounted to $344,023.15, compared with $300,847.84 during the corresponding period in 1935.

Purpose of Issue

Proceeds of this issue will be applied (*a*) toward the redemption of the presently outstanding $1,287,000 principal amount of 6% First Mortgage Bonds, (*b*) in repayment of the balance of an indebtedness of $4,234,500 owing to the parent company as at 31st July, 1936, after $2,000,000 of such indebtedness is refunded by the issue to the parent company of that amount of 5% General Mortgage Bonds ranking junior to this issue, and (*c*) toward general corporate purposes.

We offer these Bonds (against payment and delivery) subject to prior sale and change in price, if, as and when issued and accepted by us and subject to the approval of our Counsel, Messrs. Rowell, Reid, Wright & McMillan, Toronto, on all matters except titles to the Company's properties, which will be passed upon by Messrs. Hearst and Hearst, Toronto.

It is expected that Definitive Bonds will be available for delivery on or about September 1st, 1936.

Price: 99.50 and Accrued Interest, Yielding 4.28%

Descriptive Circular gladly furnished upon request.

Wood, Gundy & Company Limited — **McLeod, Young, Weir & Company** Limited — **Cochran, Murray & Co.** Limited

The Dominion Securities Corporation Limited — **W. C. Pitfield & Company** Limited

Collier, Norris & Henderson Limited — **McTaggart, Hannaford, Birks & Gordon** Limited

The information contained in this advertisement is based upon statements and statistics which we believe to be reliable. We do not guarantee but believe the statements herein made to be true.

The Financial Post

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TORONTO, AUGUST 15, 1936

Stop the Drift

TO MOST Canadians, the major social and economic problem of the Dominion is summed up in the one word "relief."

To experts and those trained in a study of social and economic problems, the problem is a much broader and more complicated one than just "relief." It is a problem involving the lives of at least a sixth of our population at a direct cost of at least $200 millions a year. A problem running the whole gamut of social aid and dependency, including not only relief, but questions of health, sickness and medical care, child welfare, mothers' allowances and old age pensions.

The far-reaching challenge of this problem is that for the last decade and a half, Canadian public policy on these questions has been largely one of drift with action being taken largely at the last moment under pressure from the electorate and with little or no thought of the future or of the effect which individual actions might have upon the whole.

A striking example of this hand-to-mouth policy is the fact that in the one case of relief funds, the federal government has since 1920 adopted a policy of federal grants-in-aid to local authorities for emergency relief, and that succeeding grants—all on an emergency basis—have been made in no less than 11 out of the past 15 years. Only within the present year has there been federal recognition that the situation does involve certain disturbing elements of permanency, demanding study and action on the basis of a definite Dominion responsibility for the organization both of employment and relief.

* * *

At no time in Canadian post-war history has there been a better or more opportune moment to take stock of this whole problem, than at the present. Business is slowly recovering from a great depression whose lessons are still fresh in all our minds. These lessons are the stuff out of which a greater, more genuinely prosperous nation can and should be fashioned. As an aid to national thinking and action along these lines, The Financial Post begins in this issue a remarkable series of articles by Charlotte Whitton, executive director of the Canadian Welfare Council, and one whose work in the field of social service has left a marked impression on every part of the country with which she has come in contact.

In her first article, Miss Whitton challenges attention to the vicious habit of drift which has characterized Canadian policy toward relief and dependency since the war; warns bluntly that "so close are we to the shoals that skilful, responsible seamanship must replace drift," and points to what she feels is our greatest immediate danger—namely, "a tendency to slip into a feeling of resigned security because a national employment commission has been appointed—because things are coming back." She warns too that Canada is probably facing the worst winter she has ever known, and urges the crying need of facing squarely this whole issue of social dependency involving "on a reasonable estimate the lives of some 1,800,000 Canadians annually at a direct cost of some $200 millions to a country of less than 11 million inhabitants."

Miss Whitton's articles present a challenge to every Canadian, not only to inform him or herself on the fundamentals of Canada's great social problems, but to aid in the formation of an informed public opinion in each community which will not rest until this whole matter has been placed on firm and permanent soil.

The Social Credit Contract

JEAN JACQUES ROUSSEAU wrote The Social Contract, and by the new ideas therein expressed helped to bring about the French Revolution. Premier Aberhart of Alberta has now produced the Social Credit Contract, and undoubtedly is thereby hastening a revolution in Alberta, but whether against orthodox finance or against his own government remains yet to be determined.

The registration of the citizens of Alberta for the much anticipated Social Credit dividends turns out to be no mere enumeration. Every citizen is expected to sign a contract with his government, and in return for benefits promised has to undertake, not only to receive these in certificates to be issued by the government, but also to accept such certificates instead of money for a proportion of the ordinary transactions of his business life.

According to Rousseau a sovereign derived his authority, not from any divine right, but from an implied contract with his subjects to govern them properly. And the sovereign could quite properly be abolished if he did not carry out its obligations. But the Social Credit Contract, contrary to the Social Contract, seems to make the existence of the citizen and not of the sovereign depend upon a contract.

The citizen who does not sign, or who breaks his contract, not only forfeits his rights to Social Credit dividends, but also, it would appear, a good deal of his status as a citizen. And, having signed, he also agrees to the forfeiture of his privileges if he absents himself from the province for more than a month, in the terms of the contract, "without the permission of the manager of the Credit House," an officer yet to be established. That phrase is a reminder of the famous phrase "by permission of the Strike Committee," which appeared during the Winnipeg general strike of 1919, and which so annoyed the people of Winnipeg that they immediately got busy and broke the strike. It may yet turn out to be a dangerous phrase.

If in his capacity as a social philosopher Mr. Aberhart invites comparison with Rousseau, he also offers a parallel to a no less distinguished French theologian. Blaise Pascal confounded the critics of religion with his famous wager. It was better to be a believer than not, he pointed out. For if the believer should be wrong, he had lost nothing. But if he should be right, how infinite his gain, and how infinite the loss of the non-believer.

Mr. Aberhart has his sceptics in Alberta in a similar dilemma. If they make a gesture of non-belief, and refuse to subscribe to the Social Credit Contract, they have not gained anything even if Social Credit does not work. Their wager will return them nothing. But granted that the odds are against Social Credit working, is it wise to risk being cast into outer darkness if it should work? That is a problem that Mr. Aberhart has given the sceptic to answer.

Ten from Five

BERNARD KILGORE, of the Wall Street Journal, has been touring the middle West to report on political conditions there. Writing from Indiana, he respectfully suggests to Republican candidate Landon that his best chance of success seems to lie in his ability to get across sound views on relief and government spending without slipping into the realm of fancy theories and unintelligible figures. "No ordinary citizen thinks in terms of billions of dollars," says Mr. Kilgore. "Don't expect him to try. Not one person in 5,000 around here has ever seen a copy of the federal government's annual estimate of collections and expenditurees.

"But the average Hoosier knows full well what one dollar is. He knows what ten dollars are and what one hundred dollars means. He knows that five dollars subtracted from ten dollars leaves five dollars, and that ten dollars subtracted from five dollars leaves five dollars less than nothing. He understands perfectly what happens to him when he spends less than his income and also what happens when he spends more than his income. He knows the meaning of debt."

Mr. Kilgore recalls the story of a salesman trying to sell something to a farmer long before the depression. The farmer balked and explained that he didn't have the money. The salesman, smiling, offered to take promissory notes in payment.

"Them things comes due," said the farmer, smiling right back at him.

"If somehow," suggests Mr. Kilgore, "the government budget can be discussed in terms of 'ten from five leaves five in the hole' and the government's obligations can be discussed in terms of promises that 'come due,' then fiscal issues will be made useful to the Republican cause in this portion, at least, of the middle West."

There is not a governing body in this country, municipal, provincial or federal, that could not profit by this excellent advice. Dickens immortalized this point of view in his famous Micawberism about income and expenditure, but the wide extension of government into relief and other public channels during the last few years has muddied this wisdom in the eyes of many who have begun to look at governing bodies as a perennial free lunch counter.

Fortunately, signs are not lacking that this fallacy is on the wane. It remains for politicians and those in public office to show their courage and common sense by talking frankly and simply to voters everywhere about the "ten from five" verities of public spending.

Job for Trade Bodies

A SURVEY now being undertaken by a special committee on employment appointed by the Chamber of Commerce of the United States, points the way to a useful rôle that can be played by trade and community associations in stimulating re-employment throughout the country. More than 500 business organizations are now co-operating in a nation-wide movement and gratifying response is reported.

For example, on the basis of relief registration lists and case histories of unemployed, information is developed which can be used for promoting the absorption of those whose records show a qualification to work in private industry. When information as to employability is obtained, these organizations circulate lists of "employables" among manufacturers and other employers and urge that in making additions to personnel, they give direct consideration to suitable persons they may find on relief.

Then again in some cities, commercial and business organizations are working with local relief administrators to aid in eliminating from relief rolls persons who in fact have employment in private enterprise. Payrolls of larger employers are obtained and are checked by a committee against relief rolls. The private payroll is kept in the custody of the association or organization and the local administrator removes from the rolls those who are shown to have such employment that they need no dependence on charity.

Many groups have also assembled information showing comparative employment this year with the same period last year. In some communities this information has been broken down by industries, mercantile establishments, etc., or classified by occupational groups. Another function is to encourage activities which will increase employment. Efforts to stimulate modernization of industrial business and residential properties, for example, being aided by the work of trade associations in making surveys of prospective expenditures for new buildings, new machinery and equipment.

Another constructive avenue of approach is training work for skilled and semi-skilled classifications. The attention of manufacturers is directed to the need for the establishment of apprenticeship courses for young workers entering industry and in one U. S. industrial city, manufacturers recently as a part of a training programme took on 1,000 young men as apprentices.

True, many of these activities in Canada will come sooner or later under the direct purview of the National Employment Commission. Meanwhile, far-sighted trade associations and other business organizations will be doing a fine service to their members and to communities by definitely taking the initiative in this type of work and thus hastening the day when real progress will be made to reduce our unemployment and relief rolls.

Editorials in Brief

A 40-yard mixed novelty race was a feature of a recent wheat pool picnic. The men were given a 10-yard handicap and ran backward. This was a suitable event. The wheat pools were given the advantage of plenty of governmental favors in selling wheat and then pursued a policy of not selling.

* * *

James Hamilton Lewis is described in Ottawa dispatches as an "Illinois Democratic Senator." Add to this information the fact of a presidential election in the United States on November 4 and you probably have the reason for Mr. Lewis's "announcement" to Ottawa newspapermen this week that the supposed new St. Lawrence treaty "holds promise of early ratification" as far as the U. S. is concerned.

It was Mr. Lewis who led the fight against ratification of the former treaty last year. He now claims Canada is willing to sign a treaty ignoring Chicago's "water steal." From this distance it looks as if Mr. Lewis's wish is father to the thought.

Post-Scripts

APPARENTLY we're not yet rid of this Heart Island matter. You remember last week we published in this column a lengthy dissertation on the whereabouts of this medieval barony. Well, no sooner had the paper gone to press than along came an official piece of correspondence from the Geographic Board of Canada whose aid had also been enlisted in our search for the geographic truth as to whether or not this famous bit of land was really in Canada or not.

Here's the verdict of J. H. Corry, secretary of the board:

Dear Sirs:

Replying to yours of the 29th of July, addressed to the Department of the Interior, which has been referred to this office, I am to advise you that the island in question lies south of the International Boundary at approximately latitude 44°55'36" and longitude 75°55'27" and is in United States Territory.

Re the correct designation for this island, the following is from the 6th Report of the U. S. Geographic Board:

"HEART; island in the St. Lawrence River, Jefferson County, N.Y. (NOT Hart nor Hemlock.)"

There is nothing in the Board's records relative to any castle on this island. If you would write to the U. S. Geographic Board, Washington, D.C., or to the New York Historical Society, 170 Central Park, New York City, you may possibly be able to obtain the information you desire.

Some day—if we get an invitation—we'll go down and see for ourselves whether there *IS* a castle and if so just what it looks like.

Sayings of the Week

"I have never seen a banker yet who was a born gambler."—*R. J. Deachman.*

* * *

"Unemployed capital means unemployed men." —*Judge G. W. Maxey, of Pennsylvania.*

* * *

"Scandal is the sport of its authors, the dread of fools and the contempt of the wise."—*W. B. Clulow.*

* * *

"My political ideal is democracy. Everyone should be respected as an individual but no one idolized."—*Albert Einstein.*

* * *

"We intend to discourage the sales of securities by any high pressure methods."—*Ontario Securities Commissioner, John M. Godfrey.*

* * *

"It is futile to expect that we can sow the seeds of economic nationalism and reap a harvest of peace and prosperity." — *Premier W. L. M. King.*

* * *

"If our system of business is on its last legs, it is only because those legs have ceased to keep in paths of righteousness." — *Henry Sloane Coffin.*

* * *

"No moneyed men have ever destroyed a country or civilization by their wealth, but on the contrary have contributed to both."—*George Barton Cutten.*

* * *

"Every art and mechanism of our economic life proclaims the unity of the globe. Everything has been unified—except, man himself." — *Stephen Leacock.*

* * *

"War brings with it not the danger of defeat, indemnity, loss of territory, but the possibility of complete devastation, destruction—it may be, the wiping out of whole populations." — *Lord Beaverbrook.*

* * *

"No member of Columbia University, whether teacher or student, has ever been separated from the university because of his personal opinions or convictions on any subject, whether religious or political."—*Nicholas Murray Butler.*

* * *

"Higher wages lead to higher prices. Higher prices lead to higher wages. Both lead to a depreciation of our savings, both are bound to shatter our economic structure. Both lead to the very destruction of our existence." — *Adolf Hitler.*

A RESTLESS COUCH

—*Drawn for The Financial Post by R. Kaell.*

The U.S. Election

From Raymond Moley's Today

The first Landon-Roosevelt poll published by Dr. Gallup's Institute of Public Opinion provides the unexpected news that sentiment in this country is about evenly divided between the 2 outstanding candidates for President.

After personal study of Dr. Gallup's methods, I am convinced that his polls are scrupulously honest and as scientific as present knowledge can make them. Their accuracy has been proved on a number of occasions in the past. They are better indications of public opinion than the Literary Digest poll, for reasons too technical and numerous to set forth here.

The Gallup poll shows that the popularity of President Roosevelt has dropped from 55.8 to 51.8 in one month; that 13 states are safe for Landon and that 8 more are for Landon by a narrow margin; that 24 states are safe for Roosevelt and 3 more states are for Roosevelt by a narrow margin. On this basis, Landon would receive 272 electoral votes as against Roosevelt's 259. It takes 266 to elect.

But in any straw vote the important thing to note is the trend of public opinion. The Gallup poll shows a sharp nation-wide swing away from Roosevelt. In only 7 states has there been a gain in his popularity. In the Middle West, the real battleground in this campaign, there has been a general subsidence in the pro-Roosevelt sentiment. Kansas, Nebraska, Iowa and South Dakota, which a month ago were doubtful states, are now decisively for Landon. Minnesota, Illinois and Indiana are for Landon by a narrow margin.

This poll did not register Lemke votes. But it seems probable that Lemke will get enough votes in the doubtful states of Minnesota, Michigan and Ohio to put them definitely into the Landon group in next month's poll.

Polls are not elections. Nevertheless they not only reflect a changing situation, but themselves influence changes in sentiment.

Whether this startling indication of Landon's strength will influence the future strategy of the Democrats remains to be seen. If they do not deceive themselves, it will. It seemed to thoughtful people that the warlike note struck in Philadelphia, which could only be interpreted as the assurance of a continuation of Leftist reform, was unsound politically because the country was temporarily tired of reform. The Gallup poll provides impartial evidence to support the wisdom of that judgment.

North Atlantic Air Race

William Clemmens in Cosmopolitan

This summer will see the last undeveloped airways of the world, the North Atlantic routes, divided up among England, United States, France and Germany. These are the 4 nations competing in the race to establish commercial air routes between Europe and North America, and whoever can dominate North transatlantic flying will be preeminent in the commercial aviation of the entire earth.

For 2 years the United States has had the equipment, the skill and the experience to establish air transport between Europe and North America. For the same period France and Germany have been flying the South Atlantic. But Great Britain has not been ready, and without her consent nobody can move in the North Atlantic. Now at last she is ready to treat with her competitors. So far as aviation is concerned today, the North Atlantic is a British pond. England holds the air advantages because she controls the terminals. With flying equipment what it is now, there are only 2 feasible routes that will pay dividends to stockholders, available to the transatlantic flyer. One is by way of Newfoundland and Ireland, the other via Bermuda and the Azores, and England controls both these routes.

Contrary to the general belief, the air is not free. The gentlemen who divided the loot at Versailles saw to that. The World War had advanced aviation as much as 20 years of peace could have done. It was evident that the planes which had crossed international borders to drop bombs could also fly across with samples and salesmen. Therefore, the treaty makers voted into international law the principle that control of the land carried with it the control of the air above that land, and that no aircraft could fly over foreign territory without permission of the foreign government.

Sunday Recreation

An Editorial by Health Service of Canadian Medical Association and Life Insurance Companies in Canada

What do you do on Sundays? We hope you go to church for it is good for your body as well as your soul. But what about the rest of the day?

Apparently we have but one idea; we jump into our car, or somebody else's, drive as fast and as far as we can, pick up an indigestible gulp-and-run lunch at some roadside stand en route, lose our tempers over the bad manners of all the other motorists, fret ourselves over endless delays at main intersections, inhale exhaust fumes instead of exhilarating country air and get back after midnight, tired, irritable, all keyed up and depressed because we didn't beat the previous Sunday's record. What a start for the week!

We try to crowd into one hectic day what our English cousins take a long 3-day week-end to accomplish.

Much could be learned from the Viennese or the Germans. They put on their hiking costumes and sally forth from the cities by train or tram Saturday noon or Sunday morning. They go that distance out which will permit them by easy walking to get back Sunday night. By crossing country they dodge the fume-laden highways, are in the open all the time, rest at guest-houses en route and arrive home physically tired but mentally relaxed and refreshed.

What a contrast to our aimless dashing about — our Day of Rest! True, our suburban countryside is dotted with "no trespassers" signs and our country roads sadly lack cinder paths, but these difficulties could be overcome if our people really tried. In Montreal and Ottawa skiers do entrain out and ski back in the winter, an excellent arrangement, but the custom should be more widely practised for summer as well as winter recreation.

Most centres have woodland or open suburbs where one can walk far from the madding crowd and in unison with the spirit of Nature. It is good to feel grass and moss underfoot, to smell new mown hay and to drink in the cool fragrance of the woods.

Try locking your car up some Sunday. Or, if you must use it to get to the open spaces, park it as soon as you can and strike out on foot.

Other People's Views

Del Credere

Men's Wear Merchandising

The "del credere" plan of price control is being hailed by many in various retail trades as a long-sought means of release from the hazards of unbridled price cutting. This magic name, now being flashed across the pages of the business press throughout this continent is an Italian phrase meaning "of belief" or "of trust."

It is a suitable appellation for a plan under which the wholesaler and the retailer become agents for the manufacturer, the latter allowing his wholesaler-agent to sell his merchandise only to approved retailers who agree to live up to certain requirements in connection with the sale of that manufacturer's goods. Ownership of the merchandise remains with the manufacturer until it is finally disposed of by the retailer to the consumer, and in that way the manufacturer is enabled legally to control the price at which his merchandise will be sold.

He can enforce his rights in this matter under threat of withdrawal of his merchandise from the retailer or the wholesale agent. Both wholesaler and retailer must stay in line and live up to the agreement they make with the manufacturer or risk inability to secure further supplies of the line.

Fooling the Mines?

Electrical News and Engineering

Premier Hepburn makes a good many jokes. The trouble is, however, that the people of Ontario are never quite sure whether he is just kidding or talking seriously. The other day, for instance, after a trip through Ontario's north country he declared himself as greatly impressed with the need for the Ogoki River diversion and is reported as saying: "We could develop power for the numerous new mines in that area for $4 per horsepower."

If Premier Hepburn is quoted correctly, he must have been enjoying one of his little jokes, for Ontario miners know that they are already buying pretty cheap power from the Ontario Hydro in the Abitibi district for $32.50 and in Kirkland Lake for $35 per h.p. per year. A mine, using thousands of horsepower in the Abitibi district, can buy power on a sliding scale, and can get down to the $22.50 per h.p. mark. But when Premier Hepburn talks of $4 power he is surely either trying to kid the miners or has again been grossly misquoted.

Some jokes are very entertaining but when a statement such as that referred to is printed in several newspapers, we think it should be officially corrected for it may do a lot of harm. The price of power is a very important factor in the development of a new mine and it is quite possible that promoters may believe in this $4 power and go far enough in their financing to embarrass severely thousands of investors before it is discovered that $4 power is a joke.

Canadian engineers know that it is impossible to generate firm hydro-electric power anywhere at a figure of $4 per h.p. The Ogoki diversion is primarily for providing more water at Nipigon and Niagara in order to produce more kilowatt-hours from existing machinery. Some day, if water regulation permits, 150,000 h.p. may be added at Niagara and 50,000 h.p. at Nipigon. When these new machines are added, however, it is not expected that they will materially reduce the cost of power at those points which, at the present time, is 5 and 6 times respectively the figure reported to have been quoted by Premier Hepburn.

The Capital-Gains Tax

The Sphere, Washington

Capital gains are taxed in the United States, but capital losses are deductible for purposes of the income tax to a net maximum of only $2,000. This is not only unfair, but it is a definite deterrent of business recovery. Enterprising men are not going to invest in plant expansion when they will be taxed if they succeed and not given any tax credit if they lose.

Charles R. Gay has stated the case very cogently: "England, with a clear knowledge as to the economic forces which give impetus to industry, commerce and labor-employing enterprise, ignores capital gains and capital losses, and relies upon straight income taxes. It gains revenue in this way . . . Were the tax on capital gains removed, the government would profit largely and to a greater extent from the earnings of an expanding enterprise."

It is known that the administration is seriously considering a correction of this fantastic situation. Certainly, whichever party wins the November elections, such action should be taken.

There is an additional reason why this is imperative—taxation of capital gains makes it unwise for investors to take profits. Therefore, there is no proper and adequate selling side to the market. This gives an undue impetus to any up movement and removes the one safeguard that makes for stability in markets. So long as there is a capital-gains tax, there will always be the danger of top-heavy markets, with subsequent collapse and depression.

Stop Me If You've Heard This One . .

They were trying a fellow charged with a petty offense when the judge asked:

"Have you anyone in court who will vouch for your good character?"

"Yes, your Honor," quickly responded the defendant. "There's the sheriff there."

Whereupon the sheriff evinced signs of amazement.

"Why your Honor," he declared, "I don't even know the man."

"There!" exclaimed the defendant triumphantly. "I've lived in this county for over 9 years and the sheriff doesn't know me yet. Isn't that a character for you?"

In the Mail . .

Stimulus to Others

Editor, The Financial Post.

In your issue of The Financial Post of the 18th instant you have given a very excellent and very favorable report of the financial standing of the Town of Renfrew, and I wish to thank you for so kindly reference to our affairs. This is not only gratifying to us but should also serve as a stimulus to other municipalities of the province who may be induced to make every effort to put their civic affairs in good order.

ALFRED S. WADE, M.D.,
Renfrew. Mayor.

As Others See Us . . . . .

No Party Affiliations

Moncton Transcript

The Financial Post, of Toronto, would be amused if it should happen to notice that it has been designated, for political effect, as "independent Liberal." The Post may be independent, but it certainly cannot be accused of being Liberal. The financial journal with ample justification, criticized the Bennett administration mercilessly, but there is no indication that it was moved to that course of action by a desire to promote the principles of Liberalism.

Our Contempt of Court Law

Huntsville Forester

In a recent action brought against Mr. Floyd S. Chalmers, editor of The Financial Post of Toronto, for contempt of court, the judge's decision against The Post editor has aroused wide comment upon the threatened freedom of the press—a cherished liberty in England and Canada. Mr. Chalmers "dug up" and published a certain official report bearing upon the guilt of a defendant in a criminal action before the provincial courts, and was adjudged to have "prejudiced the case of the prisoner" before a jury.

The decision against The Post, and the imposition of a fine, is not the strangest phase of the case. Mr. Chalmers was not "tried" in accordance with our accepted theory of "a fair trial" in a Canadian court. The matter came before the judge in a motion for a writ of attachment. There was no trial. Lawyers argued before a judge in a weekly court. The applicant for the writ was not present; the defendant was not heard; the judgment imposing a fine was rendered, and published in the daily press before the respondent was even notified.

This type of proceeding may harmonize with existing law, but the conviction is bound to register in the public mind that the proceedings in a contempt of court case in Ontario provide a less meticulous regard for the interests of one so charged than is evident in the case of the one whose trial interests are thought to have been prejudiced by the alleged contempt.

Government Spending

Chatham News

Over in the United States an election contest is in progress. It is costly. Hundreds of millions of public money are being spent in public works to provide jobs, and in other ways, to convince the people that their government considers their interests and should therefore be returned to power. It is not the only government which has thus endeavored practically to "buy votes" in election contests. Some people seem to think that if a government will spend a lot of money in their locality, it deserves support; little realizing that it is the people's own money which is being spent—squandered, probably, at a time when the policy of strictest economy should be practised, in order to reduce debt and lower taxes.

Writing in The Financial Post, Dr. Cecil C. Jones, President of the University of New Brunswick, sums up this point very fairly when he says:

"Canada is committed to the party system of government, but this system undoubtedly has many sins to answer for. Every party in power has been guilty of spending huge sums of money on enterprise of questionable utility. Either side will gladly admit that this is true of the other. In the great majority of cases these expenditures are made with an eye to a forthcoming general election. Fortunately a great many people are beginning to appreciate the situation. In a few years let us hope that any suggestion of such bribes to the electorate will be accepted as an admission of failure by the party making it. Possibly this is more nearly true at the present time than many of our politicians seem to think."

New Books . . .

NATIONAL REFERENCE BOOK. Edited by John M. Elson, Toronto. Published by Canadian Newspaper Service Reg'd., Montreal.

The major service rendered by this book is to present brief, biographical data about several hundred Canadian citizens. A goodly percentage of leading men and women are represented and there are also many individuals of little more than local fame. We do not know whether or not a fee is charged for inclusion in the volume, but the selection of subjects is so uneven as to suggest that the emphasis is upon those who have bought their way in. This may be the result of the rather limited market for biographical reference books in Canada, and until the country has grown in size the practice may persist. In the British Who's Who and in the American Who's Who, selection is made arbitrarily by the editors and no one can buy his way either in or out of the volumes.

In addition to the biographical data the volume includes in this, the fifth edition, a large amount of material on Canadian educational institutions, Canadian companies, etc. Again the selection of companies to be dealt with is rather curious, some very large companies being absent and some very small companies getting substantial space. Just how up-to-date the material is, it is hard to say. The present writer turned to the Toronto Conservatory of Music as a typical institution. "Col. A. E. Gooderham" is given as chairman; "Dr. Ernest MacMillan" as principal. Col. Gooderham became Sir Albert Gooderham in January, 1935, and died over a year ago. Dr. MacMillan was knighted in 1935. A new board was elected for the Conservatory last fall.

One does not expect very recent changes to be recorded in a volume of this kind because a certain amount of time must be consumed in setting type and printing pages. But surely a volume coming out in 1936 ought to record changes that took place early in 1935.

Despite these obvious weaknesses, the volume is one of considerable value for those requiring a book of reference on Canada and its citizens. The inclusion of small half-tone illustrations adds to the interest. Printing and binding are both in good taste.

Week in Business

Bread Prices Start Up In Most Leading Cities

Quickened Demand Aid to Millers — British Recovery Seen Approaching Its Maturity

Along with the news last week that wheat prices hit a 6-year high at Winnipeg comes word from nearly all Canadian cities that bread prices are on the rise. In the lead was Vancouver which took the plunge a week or so ago. This week Winnipeg followed suit with a ½-cent increase. Brandon reports a 1-cent increase while Ottawa is said to expect a similar jump next week. Montreal and Toronto bakers are actively discussing the situation but no action has been taken as yet.

One factor contributing to the rise is the fact that most flour buyers "missed the boat" on the current rise in flour and wheat prices. According to Northwestern Miller, none of them was even long on normal midsummer requirements. "As a result," says this authority, "no one is now in the fortunate position of being able to cut flour prices without loss to himself." Since July 1, flour prices have risen 25 to 30%.

Though the news of high bread prices will not be taken kindly by Canadian housewives, the quickening in export demand for flour which has followed the recent change in the wheat outlook is welcome news to Canada's sixty million dollar flour milling industry.

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Royal Bank Views

Looking back at business conditions in Canada during the past 6 months, the Royal Bank finds evidence of healthy recovery. In its August monthly letter it summarizes the business situation as follows:

"General improvement in mining, manufacturing and distribution, rather than spectacular expansion in one or two lines, has characterized Canadian business development during the first half of 1936. The increased production of both gold and base metals has been responsible for the rise of 2% in the index of mineral production published by the Dominion Bureau of Statistics.

"A well diversified expansion in almost all lines of manufacturing has increased the index of that industry to a level 4% above 1935, and the distribution index based upon trade employment, carloadings, imports and exports, has risen by 7%. These statistics offer no suggestion of overexpansion, they represent a healthy reknitting of the industrial and financial fabric, they give promise of further favorable developments in the future."

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British Recovery Symptoms

British economists and trade commentators are throwing out warnings that the recovery movement in that country has reached an advanced stage. "In the first place," says a recent issue of The Economist, "there are signs — not yet decisive but certainly significant — that the whole structure of prices is beginning to rise." Another straw in the wind is cited as the fact that the imports balance of trade is rising sharply, imports on a volume basis being 7% greater for the first 6 months of 1936, while exports are .6% smaller.

"None of these qualifications of optimism," says The Economist, "is inconsistent with the normal development of the upward movement of the trade cycle. It is natural for prices to rise toward the end of that movement. It is also natural that a country which had the start over others should in the later stages of recovery lose some of its advantage in export markets of the beneficent trinity, the progenitors of recovery—cheap food, cheap money, cheap sterling—to at least remain undisturbed.

"But there are the clearest indications that the present boom (the word is not exaggerated so far as southern England is concerned) is in a stage of maturity. The prudent man will already be making his preparations for the change in the economic trend that must come some day and may come soon."

Changes of the Week

Favorable

Carloadings started rising sharply again last week with strong gains all along the board except in the single case of forest products other than lumber, pulpwood, pulp and paper. The figures are one of the most impressive line-ups of plus signs seen in this indicator for many weeks.

Other **favorable** factors included another favorable report from flour mills covering June output and a sharp increase in bond sales compared with a year ago.

Unfavorable

Boot and shoe production figures for June reflected the curtailment that got under way in late spring. Cumulative figures for the year are still ahead of 1935, however.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest 1936	1935	Cumulative Total — Jan. 1 to date 1936	1935
Transportation—				
Car loadings (Aug. 1)	▲46,471	41,689	1,353,583	1,329,813
C.N.R. gross earn. (Aug. 7)	$ ▲3,266,586	$ 3,155,014	$ 104,224,311	$ 98,184,522
C.P.R. gross earn. (Aug. 7)	$ ▲2,364,000	$ 2,404,000	$ 75,983,000	$ 68,069,000
Business Conditions—				
Weekly index D.B.S. (Aug. 1)	▲109.9	99.6	......	......
	MONTHLY DATA 1936	1935	1936	1935
Business Conditions—				
Financial Post index (June)	110.1	101.3	......	......
Transportation—				
C.P.R. net revenue (June)	$ 1,175,549	$ 1,403,812	$ 6,790,999	$ 6,062,018
C.N.R. net revenue (June)	$ 9,442	$ 495,685	$ 2,475,040	$ 2,167,536
Iron and Steel (June)—				
Pig iron production (tons)	56,362	44,555	340,335	259,777
Steel ingots and castings prod. (tons)	82,196	73,450	578,700	388,163
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (June)	10,089	9,698	61,687	57,036
Factory output (June)	13,126	12,276	86,364	90,390
Trucks and Buses:				
Domestic sales* (June)	2,447	2,042	13,156	11,110
Factory output (June)	3,274	3,469	19,584	20,939
Exports (June)	5,738	5,835	30,075	37,215
Construction—				
Building permits (June)	$ 4,580,740	$ 5,104,855	$ 17,500,420	$ 24,640,511
Contracts awarded (July)	$ 17,868,500	$ 18,549,240	$ 95,577,000	$ 94,143,700
Newsprint (tons)—				
Production (June)	‡270,051	232,020	1,489,263	1,286,273
Exports, tons (June)	283,588	227,215	1,360,293	1,163,548
Sugar (lb.)				
Melting & sales§ (raw)	96,053,265	93,608,459	303,134,553	291,101,960
Manufactured§	92,455,481	87,364,302	292,386,286	294,392,109
Flour (bbls.)—				
Production (June)	▲1,148,810	991,559	6,527,359	6,134,108
Wheat flour exports (June)	430,171	429,561	2,291,172	2,242,945
Trade—				
Retail trade (index no. of sales) (June)	74.1	70.8	......	......
Imports (June)	$ 61,795,177	46,731,689	298,060,583	260,372,393
Exports (June)	$ 79,181,200	58,504,829	423,148,144	350,032,873
Wheat exports (bush.) (June)	25,763,565	6,494,622	94,587,586	45,005,121
Employment, D.B.S. Index (July 1)—				
All industries	104.6	99.5	......	......
Manufacturing	104.7	98.5	......	......
Electric Power Output (June)—				
Total monthly (000's omitted)	2,028,695	1,816,250	12,440.079	11,380,094
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (June)	169,550	129,800	654,585	587,165
Boot & shoe prod., pr. (June)	▲1,721,182	1,756,304	11,042,084	10,664,240
Crude petrol. imp. gal. (June)	▲153,620,000	131,870,000	477,449,524	460,619,567
Cotton imports, lb. (June)	7,415,651	7,397,290	69,618,556	51,051,879
Raw rubber imp., lb. (June)	4,574,180	3,215,286	24,611,428	29,939,867
Coal imports, tons (June)	▲1,683,704	1,506,196	5,029,280	5,143,675
Finance—				
Bank debits (June)†	$ 3,135,569	$ 2,710,310	$ 17,246,852	$ 15,216,135
Bond sales (June)	$ ▲188,046,200	$ 63,372,285	$ 736,339,096	$ 271,824,441
Life insurance sales (June)	$ 32,277,000	$ 32,112,000	$ 187,760,000	$ 181,555,000
Automobile Financing (June)—				
Used cars (June)	$ 3,389,507	$ 2,286,465	$ 13,549,375	$ 9,472,973
New cars (June)	$ 3,954,222	$ 2,669,173	$ 17,357,147	$ 13,132,586

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to June 13. ‡Final.

NOTE—A clerical error in last week's business indicator table showed exports of newsprint in June at 576,177 tons. The correct figure should be 283,588 tons as shown below. A correction is also necessary in the cumulative total of newsprint tonnage exported in the first 6 months of 1936, the correct figure being 1,360,293.

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MADE VICE-PRESIDENT

E. J. Tucker, assistant general manager and secretary, Consumers' Gas Co., Toronto, who was appointed first vice-president of the Canadian Gas Association at the recent convention in Vancouver.

N. S. Fishermen Receive Loans

$186,000 Paid Under Federal and Provincial Grants

From Our Own Correspondent

HALIFAX.—Distribution of $186,000 in loans to Nova Scotia fishermen will be completed by the end of August, states E. B. Paul, Deputy Minister of Labor. The money will be paid in credit certificates, federal and provincial governments each contributing a half. Loans to individual fishermen will be limited to $40 and to fishermen's organizations to $40 for each member. The loans are to be secured by promissory notes; guarantors are not necessary; interest will be at the rate of 3%. Of the amount set aside for distribution $150,000 is allocated for hook and line fishermen, while $36,000 has been set aside to aid lobster fishermen. Applications for the loans will be received and acted upon by county advisory committees appointed by the provincial government.

W. H. Munro President of Canadian Gas Assn.

The following officers were elected at the 29th convention of the Canadian Gas Association and Northwest Conference Pacific Coast at Vanvouver:

President, W. H. Munro, Ottawa.
First vice-president, E. J. Tucker, Toronto.
Second vice-president, T. P. Pinckard, Hamilton.
Secretary-treasurer, G. W. Allen, Toronto.

Directors
J. M. H. Young, London.
John Keillor, Vancouver.
V. S. McIntyre, Kitchener.
Hugh McNair, Winnipeg.
J. J. Humphreys, Montreal.
J. C. Dawson, Quebec City.
J. B. McNary, Hamilton.
H. B. Fairweather, St. John, N.B.
Julian Garrett, Edmonton.
Donald G. Munroe, Montreal.

The 1937 convention will be held in Ottawa, possibly in June.

N. S. Credit Unions Now Number 10,815

From Our Own Correspondent

HALIFAX. — Sixty-seven credit unions with a total membership of 10,815 are now operating in Nova Scotia, according to reports presented to the annual meeting of the Nova Scotia Credit Union League at Port Hawkesbury, N.S. The Nova Scotia branch has decided to affiliate with the Credit Union National Association.

The aggregate share capital of all unions is estimated at $190,243, while the total borrowing for the past year amounted to $4,453. Cape Breton county with 23 has the largest number of credit unions. During the 1935-36 terms, 22 new unions were enrolled, indicating the marked progress the movement has enjoyed since its inception only a few years ago in N. S.

Remove Differential In Prepared Shingles

An adjustment in the price of prepared shingles made by roofing manufacturers increases the trade price of plain color shingles to the same level as for blended colors, an advance of 25 cents a square. This eliminates the former differential between plain color shingles and blends, according to Hardware and Metal, Toronto, Ont. At the same time roofing firms raised their trade prices on carpet felt considerably.

One effect of the period of drought and hot weather this month has been a sharp increase in the price of linseed oil. Adverse crop reports from grain growing areas caused the price of flaxseed to advance, and this in turn had a strengthening effect on the price of the refined product. Crushers indicate that the market is still strong in tendency.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$5.75	$6.00	$7.00
Copper, lb.	.09¾	.09¾	.08
Hogs	9.90	10.00	10.35
Cotton, lb.	.1263	.1289	.1160
Rubber, lb.	.1634	.1644	.1194
Sugar, raw, lb.	.0365	.0365	.0316
Silk, lb.	1.75	1.67	1.64
Wheat (Man.) bus.	1.03	1.10	.80⅛
Coffee, lb.	.08½	.08¼	.06⅜
Hides	.11	.11¼	.10
Weekly Indices			
N. Y. Annalist	127.9	126.6	126.4
Fishers'	84.3	83.7	83.1
N. Y. Journal of Comm.	82.3	82.7	80.5
Crumps (Brit.)	70.2	70.0	64.8
U. S. Labor	80.3	80.2	79.6
Canada (D.B.S.)	75.4	74.7	71.8
Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (July)	80.5	80.2	78.8
W'sale (July)	75.4	72.3	71.5
U. S. Labor (June)	79.2	78.6	79.8
Gt. Brit. (June)	81.1	80.5	77.5

Note> The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft.-W.-Pt. A. basis; hides—No. 1 packer light native cows, New York; hogs — select bacons, Toronto.

Background of Business

Higher Prices Seen For Men's Clothing

Collars Also Will Cost More This Fall — Jap Pencil Importations Worry Canadian Manufacturers — Commodity Prices Up

Higher prices for men's clothing this fall are indicated in a special article in the current issue of Men's Wear Merchandising. Higher cost of woollens and increased labor costs are named as the cause, the increase in the former being about 10% and in the latter 3 to 4%. Labor is said to be back to the 1929 wage level.

Accordingly the Association of Clothing Manufacturers has recommended to its membership that price increases are in order, the thought in mind being apparently that prices be raised 50% of what is "necessary" this fall with the remaining increase taking place in the spring.

"The general consensus of opinion seems to be that the increase will be somewhere between 25 cents and $1 per suit with an increase of 50 cents being the likely average additional cost on men's clothing to the trade this fall," says Men's Wear.

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Collar Prices Rise

Collars have been increased in price to take care of the extra sales tax, says Men's Wear Merchandising. Twenty-five cent starched collars are now 30 cents.

Some retailers suggested that they be made 2 for 55 cents to take care of the added tax, but it is understood the department stores, whose overhead is a substantial item, asked that the price be boosted to a straight 30 cents each, and that has been done.

Soft collars which were 35 cents each or 3 for $1 are now quoted at 35 cents straight.

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Food Prices Rise

Sudden commodity price changes in recent weeks due to drought and weather conditions are summarized by Canadian Grocer as follows:

Wheat—up 34c. per bushel or 45% from its low point of 8 or 10 weeks ago.

Flour—up 80c. per bag of 98 pounds, or approximately 30%.

Rolled Oats—up 65c. per bag, or nearly 25%.

Corn—Ontario corn up 70c. per cwt. causing advance in corn meal. Higher corn prices in the U. S. have resulted in a withdrawal of deals and reduced prices for corn flakes.

Corn Starch—up ¼ of a cent a pound.

Corn Syrup—up 10 to 15 cents per case.

White Beans—the low market several weeks ago in Western Ontario was 90 to 95 cents per bushel at shipping point. Today, farmers are asking $1.75 to $1.90 per bushel with prices to pork and bean and other buyers over the $1.02.

Cheese—Canadian cheddar up 3c. a pound more than a year ago. Some large manufacturers of packaged cheese have advanced prices.

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Jap Pencils

Imports of pencils into Canada from Japan in May of this year were about equal to estimated domestic production for the same months, and were almost as great as total imports from Japan for the whole year 1935, says Bookseller and Stationer, Toronto. The average price of these imports was placed at approximately 24 cents per gross, compared with a valuation of 1935 importations of 58 cents per gross and 61 cents per gross in 1934.

The laid-down cost declared on Japanese pencils in Canadian ports of entry is said in many instances to be actually lower than the cost of the raw materials that went into them, with no provision for plant equipment, labor and other items of expense that went into manufacture and distribution. The lower price follows the removal on January 1 of the 33-1/3% surtax on Japanese goods coming into Canada. This is causing no little concern in the stationery industry in Canada, both for manufacturers and retailers.

"Representations have been made to the government at Ottawa," says Bookseller and Stationer, "and while no steps have been taken yet, it is felt that if the situation continues to be as serious as it at present appears, some changes will be made to put Canadian and Japanese pencils on a more equal basis."

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'Peg to Coast

Experimental radio and airway testing flights under all conditions are to be made from Vancouver to Winnipeg and on the return flight from the prairie city, this season, by Air Commodore Herbert Hollick-Kenyon, famous Antarctic flier, says the Vancouver Sun.

These flights are the prelude to the full establishment of a Vancouver-Winnipeg service, in formation of a complete trans-Dominion air link. They will be conducted this year with a 10-passenger, 210 mile an hour "Electra" purchased by Canadian Airways Ltd. recently.

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Papers of the Air

It is technically possible today to broadcast from one radio transmitting station as many as 120 pages, size 8½ x 12 inches in 24 hours, says Henry K. Norton, assistant to president, Radio Corp. of America in Printers' Ink Monthly.

"It is possible to pick up this broadcast and reproduce these pages in perfectly legible copy in any home or office with a receiving set about the size of an ordinary console radio set. Such a receiving set or recorder would operate without noise, print its pages, cut them and place them in a tray ready for perusal at the owner's convenience."

The first invention of printing by radio dates from the late 1920's and has been steadily improving for some years past. Recently on June 11 a new circuit was opened between New York and Philadelphia over which it is possible to send facsimile messages—messages in the handwriting of the sender.

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Television of Prospects

An authoritative impartial summary of television was given recently by Anning S. Prall, chairman, Federal Communications Commission at Washington in Printers' Ink Monthly.

"Laboratory development in television has progressed remarkably but it is not yet ready, I am told, to be brought into the sunshine of practical operation either from the technical or economic standpoint.

"Suffice to say on that score that our engineers at the commission have not yet seen fit to recommend that television be used in any way other than under rigid experimental limitations. Until we of the F. C. C. see fit to lift that experimental barrier there can be no practical commercial television and we will not lift it until we are convinced that it is ready for public acceptance and will serve a real public need.

"I would hazard the assertion that 5 years from now you will not be able to recognize your radio receiver. Instead of receiving sound alone, along with short wave programmes, it probably will be fitted for these and for television and facsimile messages."

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Paris Sees New Cars

First major motor show (since the inaugurals in America and abroad late last year) was the big display, held recently in Paris. It is the only exhibit of its kind that will be held during the Paris season this year, and is deemed of interest as indicating the trend of consumer demand in color and design.

A report to Canadian Automotive Trade says that although black remained well in the lead as an individual color, a popular trend toward lighter tones was noted. Of the cars exhibited, the popularity of the colors shown range in the following order: black, 21; ivory, 11; blue, 10; maroon, 8; green, 6; yellow, 4; red and beige, 3 each; brown, grey and white, 2 each.

The car which was awarded the "grand prix d'honneur" had front fenders in grass green (the color of the fore part of the car) and rear fenders in black (the color used on the body and top of the hood). Moldings and stripes were practically non-existent, while chromium plating was found on very few exhibits. The cars did not offer any suggestions for a change in the present streamlining popularity.

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P. E. I. Boom

From Prince Edward Island this week comes news of bumper crops. Potato acreage is up 15% and a considerable increase in yield per acre is expected. The hay crop is reported almost a double yield with indications of a large exportable surplus.

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Moose Jaw Happy

Moose Jaw reports that effective June 22 the railway companies inaugurated a 4-class commodity tariff with reduced rates between Winnipeg and Moose Jaw.

"This important reduction," says the Moose Jaw Board of Trade, "will be of great benefit to the business community of Moose Jaw and district."

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Lumber Prospects in U.K.

Canadian lumber trade will not have to reckon with cheaply marketed Russian lumber in the future as it had to at times in the past, says E. B. Monkhouse, president of the Timber Trades Federation of the United Kingdom, who arrived in Canada last week.

Mr. Monkhouse says Russia is now marketing her timber in the usual way and has even raised her prices several times during the past year. "You need not worry about Russia," he concluded.

"Canadian lumber products are in favor in Great Britain and it is likely that they will continue to be in demand. The standard and manufacture of the Canadian product have improved considerably during the past few years."

Mr. Monkhouse said that 400,000 standards of timber were shipped to Britain by Russia last year; Finland shipped 600,000 standards; Sweden 400,000; and Canada 335,000. Britain's total of imports was 2,000,000 standards.

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Gas, Power Output Jump In Montreal

Consecutive Increases For 13 Months Reported By John S. Norris

For the 13th consecutive month, increasing electric consumption in Montreal continues to reflect expanding business activity in the metropolitan area, according to Montreal Light, Heat & Power's July output figures issued by John S. Norris, president.

In July the electric output of the company increased 2.7% over the same month a year ago. Total output for the year to date increased 6%. The July output was 78,129,500 kilowatt-hours as against 76,079,200 kilowatt-hours a year ago. For the first 7 months of the year the output jumped from 574,626,500 kilowatt-hours in 1935 to 609,084,710 kilowatt-hours this year. The figures do not include secondary or export power.

Not for 2 years has the company's gas output shown an increase as great as the 4.47% increase during July when production totalled 389,381,000 cubic feet as compared with 372,705,000 cubic feet during the same month a year ago.

Gas production for the first 7 months of this year is marginally below 1935 and totals 3,020,224,000 cubic feet as compared with 3,021,737,000 cubic feet in the first 7 months of 1935, a decrease of 0.051%.

Milton Brick Investors Appoint Bond Committee

At the meeting of bondholders of Milton Brick Ltd. at Toronto, August 6, a committee was appointed to confer with the trustee, National Trust Co. The aim is to attempt to devise a plan of sale or reorganization of the company.

Members of the committee are: J. M. Firth, Hamilton; John Irving, Milton; A. Ackerman, Belleville.

Otherwise no action was taken at the meeting.

Milton Brick Ltd. defaulted interest on its first mortgage bonds Oct. 1, 1931, and no interest has been paid since. National Trust Co., Toronto, became receiver and manager, and offered the assets for sale in 1935, without result. Bonds outstanding total $260,200.

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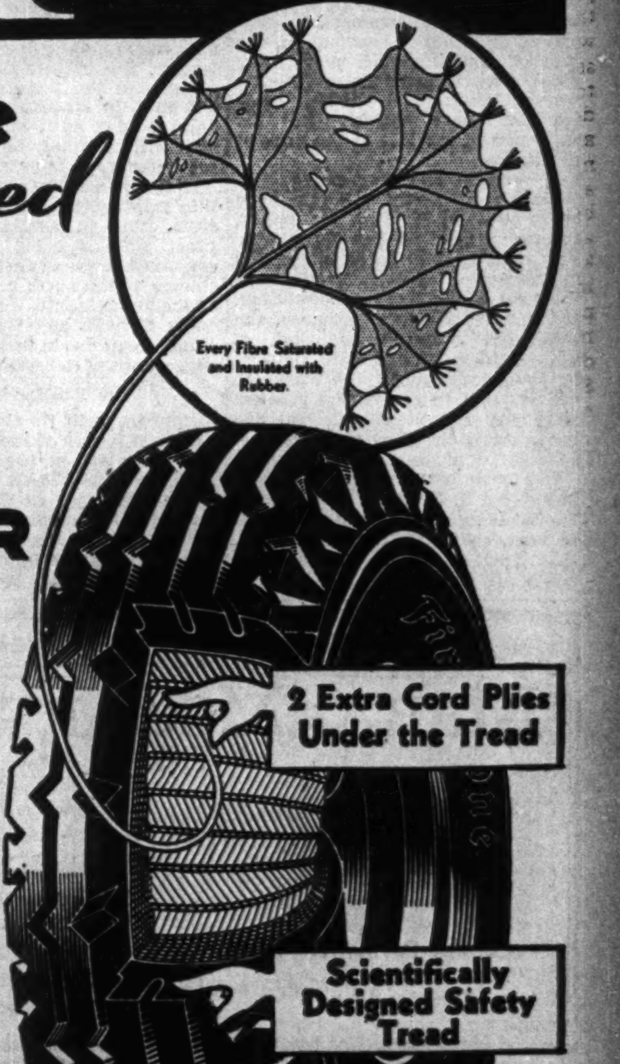

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Ready for Cornerstone of Greater Toronto Stock Exchange

New Building Is Last Word In Designing

Simplicity, Dignity Keynote of Construction

TORONTO SHOW PLACE

Behind the boarding which stands on Bay Street, Toronto, just where the entrance to the old Toronto Stock Exchange building was before it was pulled down, there is a great gaping hole swarming with busy men. But when His Honor the Lieutenant-Governor of Ontario, Dr. Herbert Bruce, at 3.30 p.m. on August 17 lays the cornerstone of the splendid, modern building to take its place, the prominent citizens who are invited to the ceremony will see that a great deal of the important work below the street level has already been done. In all probability work will also have been begun on the floor of the second story, that is, on the great trading floor which will be the centre and core of all the Exchange activities in time to come.

That work below ground has been of the utmost importance. It is the slowest part of the job. Not only has careful underpinning to be provided for the buildings on either side and strong foundations established for the Exchange building itself but in the furnaces, the maze of shafts, conduits, ducts, piping and wires there is not an item which does not have an intimate bearing on the comfort, efficiency and utility of some part of the superstructure yet to be built. The superstructure itself will go up with amazing speed and it is likely that by January 31 or March 31, 1937, at the latest, the building will be ready for occupancy.

A Toronto Show Place

For the next quarter century and for possibly the next century the new building of the Toronto Stock Exchange will be one of the show places of Toronto. If Canada grows as fast as expected, 2 more stories will be added within a decade, standing well back from the front façade as it will be in 1937.

The building itself will be strong enough to stand the test of ages, but the need for space and future plans will depend entirely on the growth of Canada. As grows Canada, so will grow the Exchange. That has been its past history. Its growth has been a barometer of Canadian progress. It may therefore be that in the course of another 25 years, pressure on the facilities of the Exchange will have grown to such an extent that adding 2 stories to the magnificent building now in course of erection will prove inadequate.

Back in 1914 Exchange authorities thought that their newly-erected home fully provided for future developments.

In the meantime, the new building will make possible a splendid advance in stock market practice. Such a building was made inevitable by the merger in 1934 of the Toronto Stock Exchange and the Standard Stock and Mining Exchange. Both were very large and flourishing exchanges and since they were united the combined business has been successfully conducted on 2 trading floors, separated by several blocks. From now on trading in stocks of mining companies, industrial companies, commercial companies, and financial companies, can proceed smoothly and much more quickly on the same floor. In other words buyer and seller come together more quickly by the extension of services at the beck of the broker.

Simple and Impressive

Much more costly buildings have been built in Toronto by banks, insurance and railway companies. Few of these will be as interesting to the general public, however, as the new Stock Exchange building. If the gazer finds the façade of the completed building beautiful, it will be the beauty of stark simplicity, of utter adequacy. The Exchange officers aim to secure the greatest simplicity consonant with making the building the most effective possible for doing the exchange work.

The architects are W. N. Moorhouse and S. H. Maw. Members of the building committee are F. G. Lawson, chairman, N. C. Urquhart, R. B. Duggan and G. W. Nicholson, while the president, H. Housser, and the secretary, A. J. Trebilcock, are ex-officio members of all committees.

The front façade will indeed be remarkable for the absence of anything architecturally showy or fussy. Nothing overhangs the street. There are no deep indentations below or above in order to introduce Corinthian pillars. One looks in vain for fancy gables, cornices, arched windows, ledges, eaves, inset doorways. It is an entirely modern idea of beauty and impressiveness achieved by lines and suggesting that all space behind it is used.

The eye of every passer-by on Bay Street will be arrested by the enormous carved stone frieze 6 ft. high and 74 feet long. Arresting conventionalized figures there suggest a procession of Canadian industries, such as are represented by the stocks listed on the exchange. Stocks react continuously to the changing fortunes of railways, steamships, makers of automobiles and airplanes, and the success of the miner, the lumberman, the farmer, the industrialist, the merchant, and the financier. And the fact that the Exchange can prosper only so long as it serves all these well will inevitably be suggested by the frieze.

If the passer-by comes closer to the building he will be held for some time in admiration of the great stainless steel doors which constitute the entrances to the Exchange at the north and south ends of the front façade. In each pair of doors he will see 14 circular discs which carry out in further detail the suggestions of the great frieze above.

The Trading Floor

Impressive in its simplicity as is the front façade of the building, the real show will be the great trading room with its 320,000 cubic feet of space. The area of the floor itself exceeds 8,000 square ft.

The trading room has been put on the second floor in order that all possible space can be utilized. On the first floor, space would have to be taken out for entrance halls and for various corridors. On the second floor the whole length and breadth of the building can be and will be devoted to the one purpose of trading.

There are in existence a sketch, a drawing, or a blue print for every one of the thousand details of the building and sometimes a number to cover any feature on which it is difficult to satisfy all the members of the building committee. The building committee and the architects have "sat in" daily to discuss every problem that arises and therefore it is expected that from the standpoint of beauty and utility, the building will be the last word in stock exchange architecture when it is completed. A group of artists are still engaged on the decorative details but the grand concept of every room has been determined.

Oblonging the Square

The first great problem facing the architects in connection with the trading floor, was that its proportions of 74 feet by 110 feet threatened to suggest an ugly squareness. It would have been hard to get either beauty or impressiveness out of a square room and so the architects have placed every utility device needed in connection with the work of the Exchange in such places as help to create the illusion of an oblong. As now planned, spectators in the members' gallery or in the public gallery in the south and north corners on the Bay Street side of the floor will never entertain a suggestion that the room is nearly square. On either side of the 5 high windows on the west side of the room, the air shafts stand out as columns which reduce the impression of width. Also all along the north and south sides the ceiling is dropped far enough at the sides to lessen the width of the central ceiling. Several hundreds of telephone desks are located on the floor below in tiers on the north and south sides of the floor. Thus ceiling and floor will have vista wherever one stands. From the galleries the area devoted to trading and to the 9 posts, will lead up in a beautifully proportioned room to long gothic windows with striking picture panels between.

Air-Conditioning Extraordinary

Nowhere in Canada will there be a building more up to date in its air-conditioning equipment. This naturally arises from the fact that concentration of inventive talent has brought about changes almost from day to day in air-conditioning equipment and processes during recent years. Equipment installed 2 years ago in many cases is out of date today. The Stock Exchange therefore, has received the benefit of all the experience that has been obtained in the industry in the meantime and the building committee believes that it is getting the most modern equipment of this kind.

The building is being completely air-conditioned from the basement to the top floor. Three separate installations were required to give a satisfactory and economical service. Owing to the large number of persons at work in the building each day, there will be installed a restaurant on the ground floor. In fact, it will be possible for a trader on the floor on hot summer days to remain in the building during all the business hours. This will be a great source of satisfaction to him and improve his efficiency greatly.

South Sea Climate

On the coldest day of winter, on the hottest day of summer, the temperature within the Exchange will be constant. Whether the days are dry or wet, whether they are hot or cold, humidity and temperature, within the building, will be such that in Canada there will be a climate milder and more benevolent than any South Sea Island. Moreover there will be no breeze. The exact temperature most conducive to good work and to health can be maintained all the time.

To achieve this marvellous result, the air has to be kept moving. There will be provided enough inlets and enough vents so that at no time will there be any perceptible draft. The degree of humidity is under absolute control. Walter J. Armstrong, of Montreal, who has been associated with major air-conditioning installations in Canada recently, is in charge of all the mechanical and electrical work.

The air-conditioning equipment is put in the truss space over the trading room. The height of the ceiling in the trading floor is 40 ft. and above that there is a space of 11 ft. 6 ins. through which this great truss passes. This is used for air-conditioning equipment only.

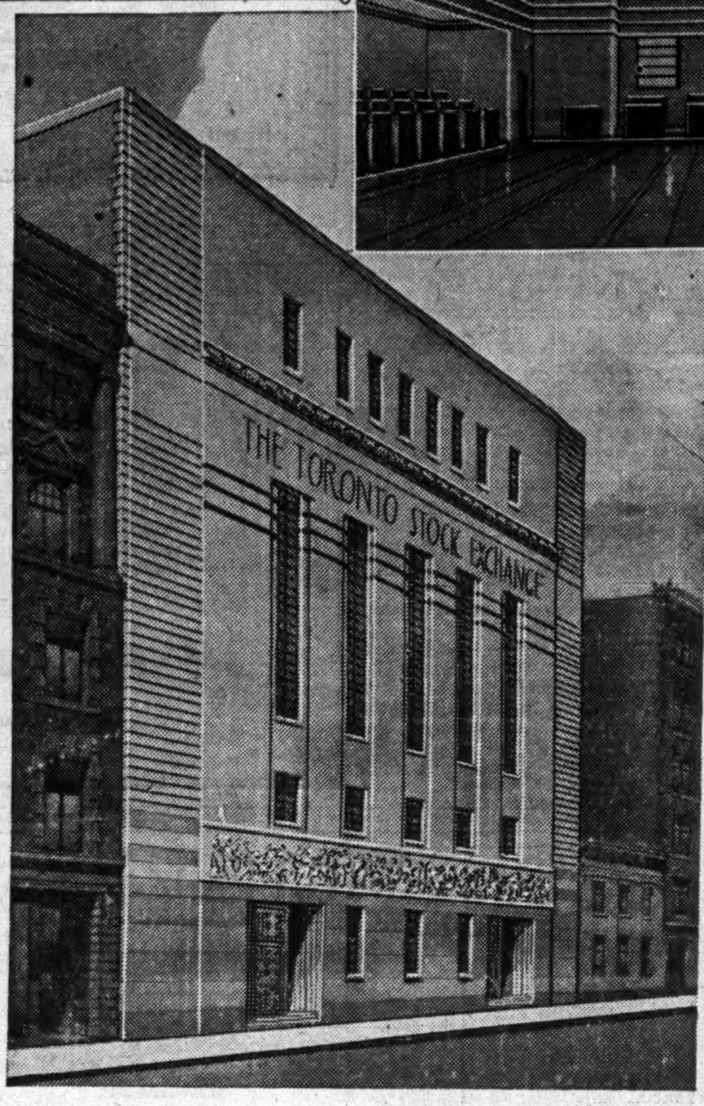
At both the western and the eastern end of the trading floor, there are 5 tall windows with 4 murals between. So that these murals can be seen along the 110 ft. of the trading floor they are flooded with electric art lights.

The main corridors of the building and the trading room are lighted by panel lighting. The reflectors are hidden behind glass which to the eye below seem just slits in the ceiling. The light is therefore soft, continuous, and without glare. There are no ceiling fixtures. So far as the light is concerned, it is all effect with the sources hidden. Everything is accessible and repairs and replacements can be made immediately without inconvenience.

The murals will illustrate the same general theme as do the frieze outside and the disc design on the stainless steel entrance doors. A corps of artists under the supervision of Charles Comfort are at work on the designs for the murals as well as for the front frieze and the doors. The murals will be the highest in Canada.

On the floor above the air-conditioning vaults are the main offices of the Exchange. On the ground floor are the lounges, buffets, barber shop, reading room, cafeteria and other rooms.

The building will cost $500,000 and an average of various estimates of real estate men as to the value of the land is $300,000 or $800,000 in all. It will be a million-dollar building when 2 new stories are added.



WILL HAVE BEAUTY AND DIGNITY

The Toronto Stock Exchange's new building on Bay Street will have a front façade as above and a trading floor like the picture of an architect's drawing at the top.

In the front façade the features which will draw most attention and comment are the 74-foot frieze across the face and the chaste simplicity of a surface broken only by 5 tall windows, the frieze and the doors. The effect of beauty is sought in the lines.

The stainless steel doors with 28 circular discs representing various phases of Canadian life will draw animated attention.

The great show will be the trading floor with 9 posts which are not shown in above picture. Quotations will be set automatically at each of the 9 posts, an amazing departure in stock exchange procedure. The spaces between the 4 murals will be windows.

Exchange Keeps in Step With Growth of Canada

Toronto Stock Exchange listings, market valuations and trading volume have kept pace with Canada's progress as shown by industries below:

		1901	1935	
Population		5,371,315	10,949,000	
Area of occupied farms	acres	63,422,338	163,119,231	(1931)
Wheat	bush.	55,572,368	227,339,000	
Total values, field crops		$237,582,285	$506,613,900	
Pulp and paper products		....	$152,647,756	(1934)
Exports of wood, wood products and paper		$33,099,915	$160,932,709	
Gold output	oz.	1,167,216	3,283,121	
	$	24,128,503	115,533,027	
Silver	oz.	5,539,192	16,624,420	
	$	3,265,354	10,770,950	
Copper	lb.	37,827,019	419,874,920	
	$	6,096,581	32,380,343	
Lead	lb.	51,900,958	339,089,296	
	$	2,249,387	10,624,278	
Zinc	lb.	788,000	320,558,659	
	$	36,011	9,934,081	
Nickel	lb.	9,189,047	138,516,240	
	$	4,594,523	35,345,103	
Natural gas	M. cu. ft.	....	24,191,612	
	$	339,476	9,096,619	
Petroleum, crude	bbl.	622,392	1,429,386	
	$	1,008,275	3,476,730	
Cement	bbl.	450,394	3,648,080	
	$	660,030	5,580,043	
Capital invested, central electric		$11,891,025	$1,430,852,166	(1934)
Turbine hydraulic h.p. installed		238,902	7,909,115	
Products manufactured—gross		$481,053,375	$2,533,758,954	(1934)
Do., net		$214,525,517	$1,117,659,273	(1933)
Construction contracts awarded		*$345,425,000	$160,305,000	
Exports		$177,431,386	$659,899,994	
Imports		$177,930,919	$522,431,153	
Total exports to British Empire		$100,748,097	$341,496,978	
Total imports from British Empire		$46,653,228	$136,186,471	
Exports to United States		$67,983,673	$224,697,923	
Imports from United States		$107,377,906	$303,639,972	
Steam railways—miles in operation		18,140	42,270	(1934)
Do., freight (tons)		36,999,371	75,746,093	(1934)
Highways, total mileage		No record	409,269	(1934)
Motor vehicles registered		0	1,176,126	
Mileage flown in air		0	7,522,102	
Telegraph lines (miles)		35,900	52,400	
Telephones		63,192	1,193,729	(1934)
Radio receiving sets		0	812,335	
Bank notes circulation		$50,601,205	$125,644,012	
Dominion notes circulation		$27,896,509	$86,753,388	
Chartered banks—assets		$531,829,324	$2,956,577,704	
Do., liabilities to public		$420,003,743	$2,667,950,352	
Total bank deposits		$349,573,327	$2,426,700,923	

*1911.

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Exchange Recording Services Fastest in America

Transactions To Be Flashed Automatically

Manual Operations Abolished in New Toronto Stock Exchange

"QUOTES" ON DIAL

Automatic recording of transactions in the new building of the Toronto Stock Exchange and in the offices of the member firms will set a new mark in the quick dispatch of quotations to all points of Canada and the main centres in the United States and the United Kingdom. Telephone and telegraph had already achieved high speed and accuracy in dissemination of stock exchange news. Member firms were in constant touch with their traders on the floor by individual telephones which operated instantaneously without the intervention of central or dialing. Telegraph tickers took the quotations as they were received and gave a practically instantaneous service thereafter.

Quick Order Filling

The added quickness will be on the floor of the exchange itself. Greater dispatch will come from having one floor instead of 2 several blocks apart. Still quicker trading will result because of the 9 posts on the floor which allow buyer and seller orders to get together much quicker than would otherwise be possible. And added accuracy and rapidity of getting the news of each individual sale out across the Dominion will result from the fact that quotations will now be shown automatically instead of manually as before.

Ahead of Others

So recent is the practice now to be incorporated in Toronto Stock Exchange that it will stand almost alone on this continent in its use. The new equipment is beyond the experimental stage, but it is difficult to install it in anything but a new building where provision is made for it from the start.

The operation of automatic stock quotation boards in offices both in New York and London, has been successfully done for a number of years and the Toronto Stock Exchange is merely applying this system to its requirements for the new building. It has been proven beyond doubt outside the Exchange.

Automatic

"Quotations for all active stocks will be set automatically at the 9 trading posts," said F. G. Lawson, chairman of the Building Committee, when asked for a description of the new equipment.

"The keyboard which will operate these automatic quotations will be located in a quotation room in the basement of the building and the keyboard operator will receive by telephone from boys located at each post on the trading floor, changes in quotations as they are made by the traders on the floor.

"Changes in quotations are thus reported within a very small fraction of time on all active stocks. One or more posts may be set aside for trading in stocks which are not active. In such cases, any changes in quotations on such stocks will be recorded at the post itself.

Monitor Board

"In the quotation room a monitor board will be located. On this the changes in quotations will be recorded at the same time they are recorded at the post by the same operation of the keyboard operator. As the keyboard operators will be sitting in front of this board, they will be able quickly to correct any errors or recognize changes in quotations that come to them from the clerks on the floor.

"The operators of the stock exchange ticker service will also be sitting in front of this monitor board and they will be able to transmit changes in quotations very quickly on the ticker service which covers points from coast to coast in Canada and many centres in the United States.

Service to Members

"As an entirely new feature of the stock exchange service to its members, there will be set up in each member's office a special dial and ticker which will be connected with the quotation service room in the stock exchange building. Each stock will be indexed and when a quotation is required, the member will dial for the particular stock and the dial connection will pick up the quotation from the post on the trading floor of the exchange and send it back immediately to the broker on the special ticker attached to his dial.

Old Versus New

"Contrast this quotation service with that at present in existence. To secure a quotation that broker must now use his order phone to the exchange trading floor and the phone boy then has to go out on the floor to secure the quotation, return to the telephone, and repeat it to the broker's office.

"In New York, in order to secure a quotation, a broker must phone a quotation service room in which are posted quotations of all stocks traded in on the exchange. The quotations are set automatically on the New York Stock Exchange and manually on the New York Curb, but they are first transmitted by telephone from the trading floor. As the quotations are repeated by the operators over the telephone to the broker's office, the service in New York is by no means completely automatic. Consequently, the system to be operated in Toronto, will be quite the fastest in operation on this continent.

"Neither the New York Stock Exchange nor the New York Curb have quotations set automatically at the posts on the floor."

"GETTING IN" ON GROUND FLOOR OF NEW STOCK EXCHANGE

Busy workmen have reached the street level in their work of building the new Toronto Stock Exchange building. The superstructure will now rise rapidly. The important subterranean work for 25 feet below-ground has been done or prepared for. High boarding hides it from Bay Street passers-by.

Toronto Exch. Borrowings $32.2 Millions July 31

Toronto Stock Exchange member net borrowings on collateral as of July 31 were $32.2 millions, an increase of $1,401 millions over June 30.

Ratio of borrowings to quoted market values which were $5.1 billions was .63 of 1% against .60 of 1% in June.

Total Listings Hit 7-Year Top Market Values

Exceed $5 Billions With July Increase of $101 Millions

MINE STOCKS RISE

Quoted market valuation of all stocks listed on the Toronto Stock Exchange advanced to the highest level since 1929 during July. As of August 1, total value was $5.1 billions, an increase of $101 millions from June and a gain of $1.2 billion from a year ago. Average price of the 439 listed stocks advanced to $28.45 as compared with an average price of $28.09 for the 429 issues listed at the first of July.

Gain on the period was due principally to rising prices of the gold and base metal mining stocks. Six of the 7 mining divisions had an aggregate advance of $122 millions with total market values standing at $2 billions. Industrials were $20 millions lower at $3 billions, although 6 of the 9 divisions gained on the month.

Gold Values Record

Combined values of the 3 gold groups jumped nearly $60 millions to a record high. The junior producing golds alone were up $42 millions, average price of the 40 issues crossing the $2 mark for the first time. Ten senior producers gained $3 millions, while gold prospects advanced $14 millions. Part of the gain in the latter was accounted for by the addition of 4 new listings, which brought the total to 50, against 46 previously.

Base Metals Jump

Base metal shares showed the largest increase as a group, the 15 issues advancing $54 millions at $1.2 billion. Sharply rising prices for the base metals, particularly the coppers, all of which closed the month with gains, together with the listing of one new issue, accounted for the advance.

An advance of $7.6 millions was effected by the miscellaneous mines at $68 millions bulk of the increase being attributable to a rise in prices of those companies with gold holdings. Twenty-four Canadian gas and oil producers increased approximately $1.4 million at $36 millions. The only mining division to show a decline was the silvers, which were down slightly over half a million at $12 millions.

The $49 millions decline in the oil group to $1 billion offset gains by other industrial sections. Weakness in the oils came in the final session of the month, the major part of the decline being contributed by one of the heavier capitalized issues.

The strong upward movement in the constructional stocks, a large number of which sold up to their highest prices ranging as far back as 1929, resulted in the 42 issues gaining $11 millions at a total of $185.7 millions. Average price jumped more than $2 at $32.39.

Thirteen alcohols were up $6.1 millions at over $129 millions and the miscellaneous industrials gained $6.8 millions at $383.6 millions. Average price of the 48 issues comprising the food and chain store group advanced more than $1 at $40.92 with market valuation increasing some $5 millions. The 7 stocks in the motor and allied division gained over $1 million and 24 textiles slightly more than $200,000. Twenty-four utilities declined $1.7 million at $675 millions and 21 financial institutions were down some $400,000 at $297.3 millions.

Phone Dialing Old Fashioned To Busy Staff

Dialing and Asking For Central Too Slow For Brokers

If Toronto Stock Exchange, member brokers and all their equipment were to be swept out of existence tomorrow, civilization would be obliged painfully and with many a trial and error to build it all up again. Only by advertising or canvassing from door to door could buyers and sellers of securities at first find each other and then the most necessitious trader would get the worst bargain. It might take weeks to make a sale which can be made in as many minutes under stock exchange organization and procedure.

Few clients of a brokerage house realize the extent of the machinery built up to serve them. In downtown Toronto there is an intricate network of telephone wires running to every point of the compass and transmitting many thousands of messages daily without a single switching of calls at the telephone exchanges. It carries orders to buy and sell, quotations of stocks and all the messages necessary to do effective trading.

There are to be hundreds of telephone tables at the new exchange. There will be no dials as dialing is too slow for this high-speed business. Lifting the receiver automatically connects the trader with the order clerk's desk in his own office. Calls coming in for him to the exchange show automatically on an annunciator board and from any part of the trading floor he can rush to the telephone to get his message.

Some of the larger wire houses have as many as 16 men with operators chest sets sitting around a table and enjoying private wire talking connection with practically all the order departments of other brokers in Toronto. The orders may come in also over private wire connections from every important centre on the continent.

The Bell Telephone Co. is changing the equipment continually to meet the needs and specifications of member firms. This order department in each member firm will get quicker results now that there is to be one exchange instead of 2 and with automatic setting of quotations.

Wood, Alexander & James Seeks Sinking Fund Bonds

Wood, Alexander & James, Hamilton hardware and equipment firm, has deposited $22,650 with National Trust Co., Hamilton, for purchase of bonds for sinking fund.

Offering of the 6% first mortgage bonds for sale will be received by the trustee up to and including August 17. Payment is to be made at Hamilton.

Lister Mair Heads Dominion Life Agents

Lister Mair, of Jamaica, has again qualified as the leading producer of Dominion Life Assurance Co., thus qualifying as president of the company's Hilliard Club for 1936-37. Mr. Mair was also president of the club last year.

Moe Leiter, of Detroit, was the company's second largest producer earning him the title of eastern vice-president of the club for the current year.

S. B. Johnston, of Winnipeg, is the company's western vice-president for 1936-37.

Produce Dealers' Lists

The Consul-General of The Netherlands at Montreal has just received new lists of colonial produce dealers in the Netherland Indies.

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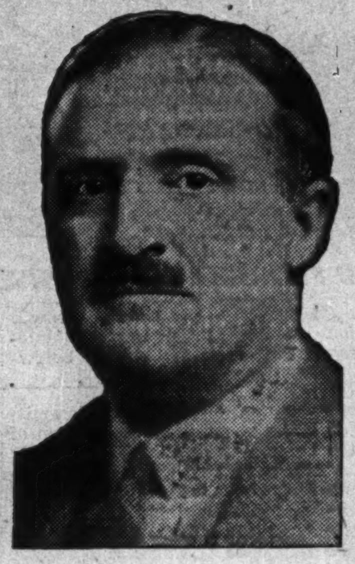
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GUIDE TORONTO STOCK EXCHANGE

Here are the officers and managing committee of the Toronto Stock Exchange. The president is H. B. Housser.

Vice-president is Norman C. Urquhart, president of old Standard Stock & Mining Exchange. Other officers are:

F. G. Lawson, secretary, partner of Moss, Lawson & Co.

Manning W. Doherty, treasurer, partner of Doherty, Roadhouse & Co.

Members of the managing committee are:

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G. R. Bongard, of Bongard & Co.

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G. W. Nicholson, president last year, is also on the managing committee.

Steady Climb Tells History Of Exchanges

"Association of Brokers" Started in Toronto in '50's

FOUNDERS LEAVE MARK

No one now living participated in the formation of the Toronto Stock Exchange back in 1852. The founders have all passed on and so have many other financial men who later contributed to its progress and profited by its success. Their work lives after them in the exchange and each successive generation of member brokers has left it stronger and more useful.

It is a far cry from the dozen men who 84 years ago formed an "association of brokers" to meet daily for have an hour's trading at the offices of various members. Each contributed $5 as a member. Now there are 113 seats which in 1929 sold as high as $265,000 and there are 95 members, some members owning more than one seat. Under the regulations as now laid down the members have the right to put a maximum of 700 traders on the floor of the exchange. In the new building just being erected provision is made for more than 300 telephone desks for floor traders.

At the time of the merger with the Standard Stock & Mining Exchange in 1934 the Toronto Stock Exchange had 62 members and the Standard Stock & Mining Exchange brought in 51 members. By a process of merger of member houses there are now 95 members, 18 of them owning 2 seats. The merger went into effect February 5, 1934. It is probable the combined exchanges will meet on the one floor by February 5, 1937, or shortly afterward, for trading in all classes of stocks. Trading in mining shares has continued since the merger in the Temperance St. building.

Back in 1861 there were only 36 issues listed. At the end of July, 1936, there were 439 issues listed on the exchange and they comprised a total of 626.3 million shares worth $5.1 billions. The average market value per share was $28.45. On that early exchange there was no representation for mining stocks, for gas and oil stocks, and for motors and allied groups. Yet in the first 7 months of 1936 sales occurred of 164.9 million mining shares for $196.8 millions and 6.4 million industrial shares for $156.2 millions.

The founders of the Toronto Stock Exchange in 1852 desired to afford a medium through which British capitalists could pour their money into Canada.

It was a very small institution in those days when Toronto was a small frontier town with unpaved streets and sparse population. Ontario was known as Upper Canada, Quebec as Lower Canada, and Toronto was referred to generally, in contemptuous terms, as Muddy York.

At first, trading consisted only of daily half-hour meetings at the offices of various members. Gradually commercial and financial trading gravitated to this exchange. British and United States financiers began to take notice and the domestic and foreign trading together made the business grow so much that in 1861, the Toronto Stock Exchange was reorganized.

From then on, the history of the exchange has been one of steady expansion to meet the situations created first by Confederation in 1867, by the Civil War in the United States, in the 60's, by the war in 1870 between France and Germany, by the completion of railways from coast to coast early in the 80's, the South African War at the end of the 19th century, by the great industrial and railway expansion in the 20th century to 1914, by the Great War and by all the post-war developments.

When reorganized in 1861, with Herbert Mortimer as first president, the members negotiated sales of exchange, stock, shares, bonds, debentures, and mortgages, and other loans.

Toronto Exchange Chronology

Other developments of the exchange since that time may be summarized as follows:

December, 1865—First authorized list of stocks was distributed weekly to Canadian and American papers. It included 36 stock issues of chartered banks, trading and other companies.

January 8, 1862 — Rules were adopted. The one still of most interest to investors is the following: "In no case shall one broker charge both buyer and seller."

1878 — Absolutely free trading privileges were granted the Toronto Stock Exchange by special act of parliament.

1886 — Opening of transatlantic cable, permitting arbitrage with London and other financial centres.

1887—Permanent place of business established at northwest corner of King and Victoria Sts.

1889—Exchange sought new quarters in the board room of the National Trust Company.

January 1, 1914—Occupied new Bay Street building designed and erected by the exchange to provide for increasing business and future growth.

August 4, 1914—Start of Great War forced the exchange for the first time to suspend operations just as it forced exchanges all over the world to suspend operations.

1919-1929—Most active growing years the exchange ever experienced.

1929—Inaugurated a strict Stock Exchange audit of member firms under the direct supervision of the Commissioner of the Securities Act. No bankruptcies have occurred since then.

1934—Merged with the Standard Stock and Mining Exchange which had done the main part of the business in Canada of trading in mining stocks.

Standard Exchange Dates

Up to the time of the merger, the history of the Standard Stock and Mining Exchange may be indicated by the following brief summary:

1890—First formed to deal with the demand for a market occasioned by the Rossland, B.C., mining boom which lasted 4 years.

1908—Standard Stock and Mining Exchange re-established on discovery of the Cobalt camp.

1909 — Discovery of Porcupine camp gave further importance to the exchange.

1909—Charter obtained from the Ontario Government granting the body the fullest powers of free stock exchange operation.

1918-24—Operation further extended by discovery of copper gold field of Quebec, the rise of Noranda, the interest in development of nickel and copper mines in Sudbury, the large base metal mines in Northern Manitoba, and the hundreds of companies organized for exploration and development elsewhere in Canada.

1926—Leased another board room to cope with expansion.

1928—Purchased large building on Temperance Street.

1934—At the time of merger, the exchange had become an international market, the largest market for mining securities in the world.

Away back in the dark days of 1903, the list contained only 18 issues, 6 of which were banks, stocks and loan companies, 5 industrial, and the balance mines. Now there are several hundred.

Consumers' Gas Maintains Earnings on 1935 Basis

Financial results of Consumers' Gas Co. of Toronto for the year ending September 30, 1936, are expected to be on a par with those for the preceding year. Output varies with the temperature but results to the end of July apparently justify such an expectation.

Gross output in July was 2.2% advance over July, 1935, but output for first 10 months of the fiscal year is almost exactly equal to the output for the corresponding period of the previous year. Moderate gains in recent months, offsetting decreases in the early part of the period, are attributed to improving economic conditions. Collections also have been improving.

Sales of appliances continue to advance. The gain in June was 14% over June, 1935. July sales stressed no advance, but the gain for the 16 months ended July 31 has been 9% over the corresponding period a year ago.

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SECOND SECTION

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Flames of Spain's Civil War May Kindle Europe

World Sits on Powder Keg While Communists and Fascists Come to Grips In First Major Clash of Arms Between Extremists of Two Social Theories

By THOMAS C. THOMPSON

Spain is on fire.

From the shores of the Mediterranean to the northern coast, from Castile to the slopes of Valencia, flames of civil war cast their red glow.

And Europe faces the greatest threat of war since 1914.

Machine guns are spitting in the streets of Spanish cities. The rumble of artillery fire rolls through Spanish fields. Homes have become arsenals, and the streets of Madrid, Seville, San Sebastian, Burgos and other cities are choked with ill-equipped government militia or the trained and professionally-led troops of the Fascist rebels. Bloody warfare without quarter is sweeping through the provinces of the former kingdom of the Bourbons.

It is the smoke of a death struggle that drifts out of Spain over Europe, its thick pall blotting out once more the failing sunlight of European peace.

Meanwhile chancelleries in London, Rome, Paris, Berlin and Moscow await with full knowledge of its sinister implications, the outcome of the world's first major clash of arms between 2 bitterly opposed social orders.

Fascism Versus Communism

For the truth is that Fascism and Communism—under other labels—are locked at last in an armed struggle for supremacy. The prize is mastery of Spain, but the conflict, or its result, may be a world war between the forces of Left and Right. Strife-torn Spain is merely the bloody testing ground on which class warfare is being fought in its most violent manifestation since the French reign of terror.

Someone recently described the Spanish civil war as a combination of the English Reformation and the French Revolution. Like the French Revolution the struggle in Spain is the inevitable result of deep underlying causes. Strikes, assassinations, riots, mob demonstrations, political and religious feuds all combined to produce the spectacle of a nation drowning in its own blood. Centuries of oppression and the abuse of power by landed classes, the nobility, army commanders and clergy sowed the seeds that now bear fruit.

What Lies Ahead

The causes of Spain's descent into anarchy are many. What will be the result?

Behind the censorship hanging like a curtain over the ebb and flow of warfare, events are taking place which may alter the whole course of European and world politics.

Already a definite alignment of European powers on the side of Spanish Left and Right can be discerned. Socialist France is sympathetic to the will of Spain's "Popular Front" government of the people, to maintain its power; Soviet Russia enthusiastically supports a plea for funds to aid Spanish Communists, who are aligned with the Leftists of Madrid.

Italian Assistance

Italy, learning a lesson from the older tactics of Moscow, reveals unmistakable friendship for General Francisco Franco's Fascist rebel movement and, unofficially at least, gives concrete evidence of her sympathy in the dispatch of airplanes, pilots and munitions to aid the rebel cause. With Fascist insignia painted out from their fuselage and wings, Italian airplanes have been speeded on their way to the rebel base in Spanish Morocco.

The "courtesy" visit of the German warship "Deutschland" to a rebel naval base was the first open indication of Germany's Spanish policy. Later developments confirmed the unmistakable attitude of the Reich, although like other European powers, Germany maintains an officially meticulous policy of neutrality in the Spanish conflict.

Protestations of neutrality have come from all the leading European powers, yet Frenchmen have crossed their border in hundreds, passports in order, to assist the hard-pressed Spanish government cause. Italy, Russia and Germany lend aid in similar unofficial ways, and gold sinews of war flow into both the government and rebel money chests from sources other than Spain.

Powers May Intervene

Threats of interference by other powers have been made, it is true, based on "incidents"—always a fruitful cause or excuse for armed intervention when national policies demand resort to arms. The "incidents" which have already taken place are strangely reminiscent of Italy's early tactics in Ethiopia, of Sarajevo, and of the Boston Tea Party.

If the time is ripe, there will be further "incidents."

They need be no more important, for example, than the firing-squad execution of 7 Germans among hundreds of other deaths by shooting in the heat of Spain's civil war, but in the death of German nationals, the Reich was swept with a wave of fury that left no doubt regarding its stand.

The German press meanwhile charged the Soviet, its hated enemy, with aiding the Spanish government cause, and German doubt is openly expressed over the sincerity of France's announced policy of non-interference in the affairs of war-torn Spain.

Great Britain, too, has been amply supplied with "incidents" and there will be many more unless the threat of British warships is heeded. Firing on British aircraft at Gibraltar, the "miscalculations" of Spanish artillery commanders who dropped a shell or so on the polo grounds at "Gib"—these and other minor developments are potential causes for British intervention.

Like her. European neighbors, Great Britain maintains an ominous silence on the larger issues of the Spanish revolt. The guns of her warships can speak compellingly when they must, but Britain hopes there will be no need of the lion's steel-throated roar.

Europe is Tense

Europe is watching and waiting, cloaking her conflicting policies under polite protestations of disinterest, but the war in Spain is in reality a war of puppets.

The real antagonists stand on the side, lending what aid they can but jockeying for advantage if their own interests and national policies are threatened. No one seriously believes that the nations of Europe are so high-minded that they will refrain from turning the Spanish civil war to the advantage of their Socialist, Fascist or Republican policies. Neutrality in Europe—Switzerland included—has long been regarded by informed observers as a myth in the event of another war. So far, its form has been retained, but when the diplomatic amenities are cast aside, neutrality will be revealed as an anachronism that passed from the European scene in 1918.

That, at least, is the fear that hangs over the governments of the once most civilized continent of the world. If Spain from its civil war enters the ranks of Marxism or Fascism permanently, the carefully forged chain of alliances created since Versailles may receive its first armed test. France has said as much. So has Hitler.

And the test will prove the supremacy of Fascism or Communism. There is apparently no longer a middle road between the 2 in Europe.

Economic Disintegration

Economic and financial disintegration as well as a series of political misadventures lies behind the gradual descent of Spain from the status of a world power to the country's present condition of chaos.

When the once great nation lost her possessions in the New World, Spain's dominant position as a colonizing country passed to Great Britain. From that time Spain steadily lost ground in world trade, while Great Britain conversely rose to become the greatest trading and colonizing nation of the world.

Of the 21 leading countries of the world in point of trade, Spain does not appear in compilations published in the Canada Year Book for 1936, nor has the country appeared in similar compilations dating back to 1929 or earlier.

In world trade, Spain is outranked by such countries as Switzerland, Sweden, Denmark, British Malaya, Australia, Netherlands, Indies, China and Czechoslovakia. Great Britain leads the list and Canada stands in sixth place.

War Provided Respite

As far back as 1901 Spain's trade balance was adverse and her imports continued to exceed export figures until 1914 when export totals soared and imports remained well below the volume of her sales to other countries.

The war was nothing more than a respite for Spain in her decline as a world trade factor. In 1919, the country's exports dropped sharply and imports jumped. There has not been a year since in which Spain could show a favorable trade balance as an exporting nation.

Comparative figures follow:

Spain's Foreign Trade

Yearly Avge. or Year	Imports (In thousands of dollars)	Exports (In thousands of dollars)
1901-05	133,678	122,056
1906-10	169,088	158,493
1911-15	198,609	192,216
1916-20	179,209	235,292
1919	178,315	205,022
1920	226,619	161,019
1921	383,305	211,958
1922	524,111	253,667
1923	564,178	294,467
1924	566,414	345,568
1925	433,154	305,837
1926	414,549	309,697
1927	497,187	364,229
1928	579,854	408,839
1929	526,187	406,851
1930	472,339	443,836
1931	226,866	185,480
1932	188,260	142,508
1933	161,234	129,033
1934	166,096	117,918

Spain's chief foreign trade is with the United Kingdom and the civil war will have its most direct trade influence on British business with Spain. Canada's trade with Spain is small in comparison with such countries as Germany, France and other European nations, but Canadian trade with Spain, as shown by preliminary figures in the Canada Year Book covering the 12 months ended March 31, 1935, was nevertheless substantially in favor of Canada. Canadian manufactured goods made up 96.5% of total Canadian exports to Spain in that year and the value was considerably in excess of Spanish products imported into Canada.

The following are detailed trade figures for the 12 months ended March 31, 1935:

	Imports from Spain (In thousands of dollars)	Exports to Spain (In thousands of dollars)
Raw materials	229	11
Partly manufactured	204	81
Fully manufactured	942	2,535
Total	1,375	2,627

Profitable Customer

It will be seen that Canada sold almost twice the value of Canadian products to Spain in comparison with Canadian purchases from that country. Indeed, Spain was Canada's best customer for the sale of fully manufactured goods among the nations of Europe with the single exception of the United Kingdom.

The civil war may therefore cost the Dominion a profitable customer for Canadian products, but Spain has been a profitable customer for other countries for many years and its present difficulties arise partly from that fact and the poverty it has created among the masses of Spaniards.

Taxation and Debt

Notwithstanding the failure of Spain to create a favorable balance of trade, her ordinary government receipts and expenditures, as shown by the Canada Year Book, indicate that government spending in 1932, 1933 and 1934 was kept within the country's ordinary revenues. Taxation is the answer.

Political scandals, graft and government mismanagement have been charged by various opposing factions in the country, yet published figures of the governments' financial positions in each of the 3 years shows no deficit on ordinary receipts and expenditures. The public debt rose slightly in 1935 to 21,608,317,000 paper pesetas, however.

Spanish government ordinary receipts and expenditures are shown as follows:

Spanish Government Receipts (In millions of pesetas)

	1932	1933	1934
Direct taxes	1,336	1,455	1,418
Customs	528	481	479
Indirect taxes	771	756	752
Monopolies & util.	998	1,009	995
State domain	50	50	15
*Treasury optns.	726	811	791
Total	4,409	4,562	4,450

*Including govt. loans.

Spanish Government Expenditures (In millions of pesetas)

	1932	1933	1934
Debt service	970	1,008	1,012
National defense	568	632	597
Public instruction	255	296	312
Public works	548	686	681
Coll. of revenues	140	138	142
All other	1,816	1,668	1,733
Total	4,297	4,426	4,477

Spaniard Against Spaniard

The Spanish Republic—if it still exists—is itself a product of the social, economic and political storms that have ravaged Europe since 1918.

The republic is only 5 years old, but already it has had a longer life than the first Spanish republic of 1873 to 1875. The war that has engulfed Spanish men and women in all parts of the country is an attempt by the former ruling classes of Spain to regain their lost control, and it is being resisted by the masses of Spain who numerically represent the will of the greater part of Spain's population.

It is probably the first time in history that a revolt, long and carefully planned and aided by foreign money, has been organized successfully in its early stages by those who were once the masters of a country in opposition to those who were formerly the governed.

The advantage of numbers therefore lies with the Leftist government, but that advantage is offset by its poorly organized defense forces on land and sea, its own divided counsels, and participation of Communists in its government, if not in the Spanish cabinet.

Rebels Well Equipped

Yet the Spanish Fascist rebels are also well prepared for the struggle which will last for some time to come, unless it broadens into a European continental war.

The rebels are led by experienced army officers, their troops well trained and equipped, and the rebel cause does not lack funds.

Behind the Spanish censorship, dissension may exist in the ranks of either side, but to what extent can only be guessed.

Meanwhile the grim struggle goes on, and predictions of the final victory are absurd in the face of the rapidly changing fortunes of both sides, the usual misleading propaganda of warfare, and the unknown resources placed at the disposal of both the Leftist government and the Right wing rebels from foreign sources.

Five Years of Strife

To analyze the causes of the conflict, one must go back to the April day in 1931 when dapper, sports-loving King Alfonso XIII fled from Spain aboard a destroyer and was later joined by Queen Victoria and the Spanish royal family in France.

Spain since has had 3 Cortes, or parliaments, 2 presidents and 5 violent uprisings. Each disturbance further complicated the tangled skein of Spanish politics, but it failed to improve the lot of poverty-ridden Spaniards, whose king was deposed primarily because the monarchy could not solve the problem of feeding 23 million Spanish men, women and children.

Spain's economic ills can be traced back for many years, and when depression overtook the country, in common with the rest of the world in 1930, an explosion was inevitable. Spain was given over to several groups of Republicans, Socialists, Communists, Royalists, Fascists, Nationalists, Separatists and other minor groups from which nothing but chaos could be expected and from whom chaos came.

Today, through the shifting of parties, governments and leaders, there are only 2 groups in Spain—Marxists or Fascists. Other names—Left and Right, Conservative or Radical, or any other tag mean nothing but one of the 2 great opposing social movements of modern times.

A Radical Government

Spain's second republic drafted a constitution and elected a president in the same year that King Alfonso was exiled. A provisional government was replaced by a Cortes, first in 8 years. Of the 470 deputies no fewer than 113 were Socialists who stood for pure Marxism and the breaking up of the estates of the landed aristocracy. Radical Socialists in the new Cortes, which followed on the first government of eloquent, soft-hearted, religious Niceto Alcala Zamora y Torres, numbered 54. There were 86 Radical Republicans, to say nothing of other Left wing adherents.

Constitution of the new republic was not completed until December, 1931, but when it was finished, there could no longer be any doubt as to the character of the new Spanish government, although avowed Communists at that time numbered only a handful.

One of the Cortes' first acts was to reject Catholicism as the religion of the state. Zamora, first and provisional president, who had served several times in the cabinet under the monarchy, was compelled to resign as a result. He was succeeded by Manuel Azana, minister of war, who was made premier and formed a cabinet in December of 1931.

Spain's republican government was harassed from its inception by political storms, incendiary anti-clerical rioting and labor difficulties.

Jesuit Property Seized

First signs of the gathering political storm arose from the drastic character of the constitution in its regulation of the clergy, and an equally pronounced attitude of resistance by the religious bodies.

The Jesuits were exiled from Spain and the new government decreed confiscation of church property by an overwhelming majority.

Jesuit institutions were closed the following year, and the religious order in Spain dissolved. Its property, with a value of about $30 millions, was taken over by the state to be used for schools and asylums, and these steps were followed by a decree forbidding the teaching of religion in schools functioning contrary to the constitution.

Strongly reminiscent of Soviet measures in the early days of the Russian Communist régime and obviously anti-clerical, was the decree by which the new Spain granted the right of mutual divorce. Government employees were discharged in thousands for political reasons and the salaries of those who remained on the government payroll were increased by 20%.

The army and navy were completely reorganized. Half the army officers retired, also for obvious political reasons. Army and navy officers were forbidden to discuss political matters.

Reductions of personnel in both the army and the navy brought the armed forces to a total of 5,385 officers and 99,446 men, while the navy personnel was reduced in 1932 to 6,000 men.

Royalist Attempt Fails

Supporters of the Royalist cause had not been idle while these events were taking place. Under the leadership of General José Sanjurjo, a revolt was organized at Seville and Madrid in midsummer of 1932, but it was crushed by the Republican army within a few hours.

General Sanjurjo, successor to the mantle of Primo de Rivera, was sentenced to life imprisonment, 2 other leaders were imprisoned and more than a hundred members of the nobility and many army officers were sent into exile on the African coast.

The estates of those implicated in the uprising were confiscated, a total of 2,471,000 acres, valued at about $24,150,000 passing into the hands of the government as a result.

Yet at this stage Spain's factional strife had only commenced. In spite of Leftist "reforms" an uprising of peasants occurred in 1933 and was put down so severely that the government lost much of its former support.

Further disturbances followed and control of the government passed into the hands of Republicans closely associated with the Right. Scandals and political chaos continued, and attempts were made to hand over the government to Fascists such as Gil Robles, nominally Republicans but actually extremists of the Rightist wing.

Armed clashes, and finally a national strike took place when Gil Robles entered the cabinet. Leftists won the ensuing and protracted fight for control this year and, as in 1931, the Left wing again assumed control. Thus the "Popular Front" was created with much the same line-up of groups as in 1931.

Long before these events, the Cortes, with its Agrarian Reform Bill, brought on a crisis which has come to complete fruition in the present civil war.

The bill authorized the expropriation of all lands owned by the Spanish nobility.

Aristocrats' Land Confiscated

Indemnities were to be paid only on improvements on which the investment had not been realized, or to those who could prove that they had no other property. It was a move that branded the government as Communist to a most advanced degree. No fewer than 20 former royal estates and the land of several hundred ennobled families, together with the estates of 8,000 families of the aristocracy, were taken over by the government and parcelled out to workers. In all, 52 million acres passed from the landed classes of Spain at a loss estimated at $5,520,000,000.

It was the straw that broke the camel's back. Spanish aristocrats, whose families for centuries had ranked high in the nobility of monarchial Spain but who themselves were in Paris, Berlin or Rome, saw no recourse but the sword.

Quietly they began to organize for the overthrow of the new Marxist rulers. Their preparations were made in secret, and since the majority were either army officers or closely connected with the army and the nobility, much of the plotting took place in supposedly loyal army and navy messes.

Peasants Receive Grants

Meanwhile the farm laborers and peasants of Spain were made eligible to receive expropriated lands.

The new land owners were required to pay only a nominal annual tax, and the redistribution of land caused an estimated annual loss to the government of about $4 millions in consequence. Some idea of the division of taxation and land distribution may be gained from the fact that of 3,426,063 persons paying land taxes in 1929, owners of large estates numbered only 277,188.

Drastic as they were, these measures did not represent the full reversal of fortune for former Spanish grandees. There was no possibility for them to secure land in the names of foreigners, for in 1932 a decree was published forbidding foreigners to own land in Spain without permission of the cabinet.

Today, Spain's former aristocrats, under the leadership of General Francisco Franco, are fighting for their birthright and $52,520,000,000. Like the revolutionists of monarchial France, they have nothing to lose—not even chains. But the view of informed circles is that the fight may fan the flame of civil war into a European conflagration, and bring on the long-expected East-West conflict of Communist and Fascist.

Left Wing is United

Spain's Left wing forces were united by the "Popular Front" victory in the February elections this year, and with the Left wing victory, Don Manuel Azana Diaz became prime minister.

New land redistribution measures were planned by the Left wing coalition of Socialists, Izquierda Republicana, Union Republicana, Esquerra and Communists. These Left wing groups totalled 265 deputies. The Right wing parties in the new government numbered 144. They consisted of Agrarians, Monarchists, Independents and Traditionalists. The Centre parties numbered 64 members. Thus was the stage set for the final act of a bloody drama.

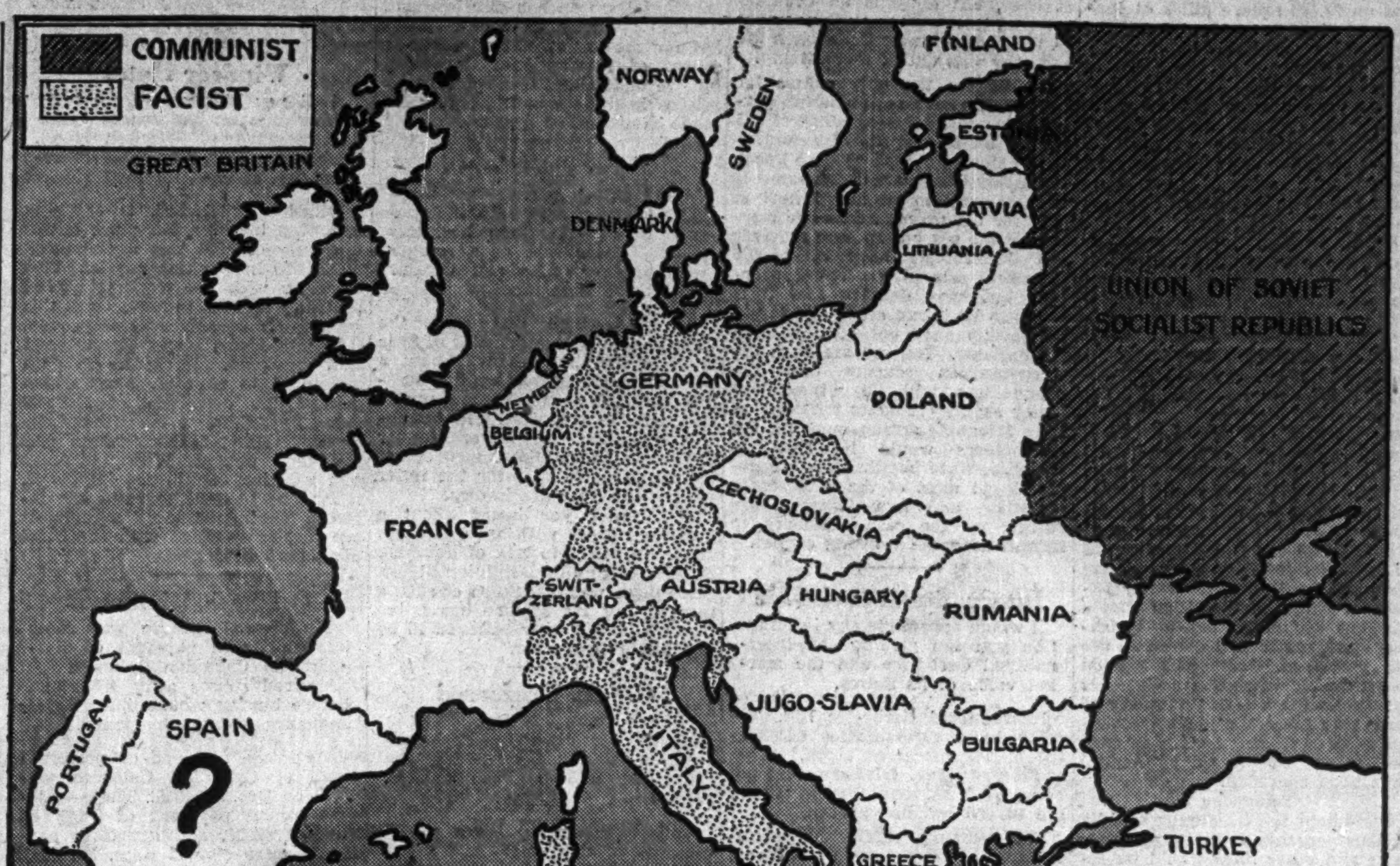
A Fight to the Finish

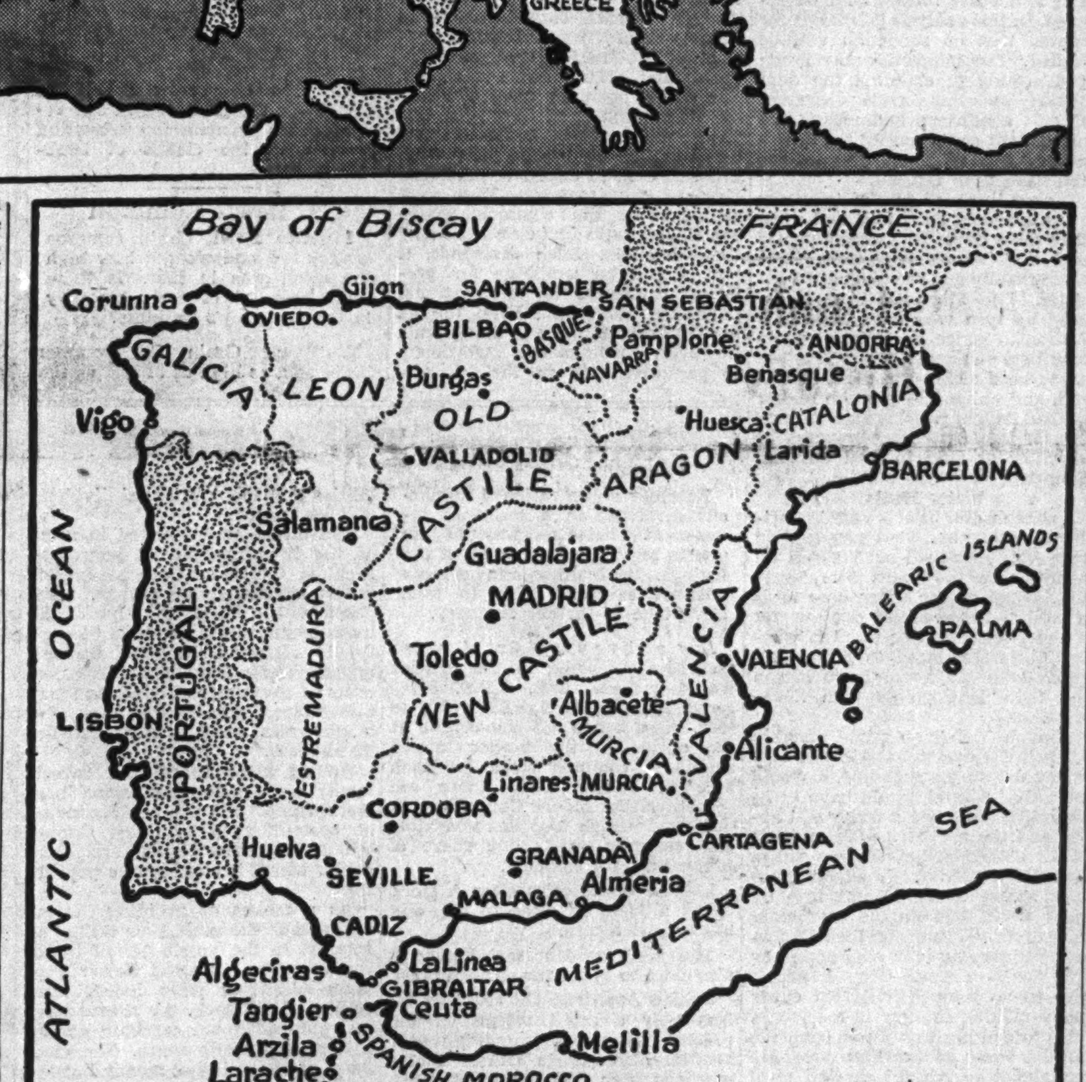
Europe is tense as the lurid events in Spain move in an increasingly dangerous tempo, and students of the Spanish situation are not optimists, for no matter who wins, Spain will be aligned with one of two hostile European camps.

Supporters of the Left wing government, fearful of the Fascist powers of Europe, are fighting for their existence and to stave off what they believe may be the first battle in a campaign against all Left wing governments in the Old World. Mussolini and Hitler, they think, cannot maintain their huge armies indefinitely without financial and economic collapse in these countries.

Spanish opinion, expressed by Spaniards in Canada, is that the Fascist leaders of Germany and Italy may not attempt to avoid international incidents, but that instead they might welcome a pretext for armed intervention in the affairs of Spain.

If that happens, the European powder keg may explode with a roar that will destroy civilization.





SPAIN HANGS IN THE BALANCE

Upper map shows how Socialist France may be bordered on 3 sides by Fascist states if Right wing rebels, whose policies are akin to those of Mussolini and Hitler, gain the upper hand in Spain. A victory for the Leftist Spanish government would swing Spain closer to the side of Communist Russia.

Lower map shows the key cities and provinces of Spain in which fighting is in progress.

Republican Spain "Régime of Liberty"

The constitution of the second Spanish Republic contains the following fundamental principles:

Spain is a Democratic Republic of workers of all classes, organized in a régime of liberty and justice; it has no official religion and all citizens are equal before the law.

Spain renounces warfare as an instrument of national politics. The colors of the republic are red, yellow and purple.

Legislative power rests with the people who exercise it by means of the Cortes, or Congress of Deputies, elected for 4 years by universal suffrage, equal, direct and secret, on the system of proportional representation.

All citizens over 23, without distinction of sex or civil status, are eligible to vote.

The presidency of the republic is a post associated with very definite financial remunerations, notwithstanding the Communistic principles of the Left wing government. Salary and allowance of 2,250,000 pesetas per annum are provided for the republic's chief executive.

The Cortes may propose a vote of censure on the government or any of its ministers, on the request of 50 of its members, but the cabinet or the minister in question is not obliged to resign in consequence unless the vote of censure is passed by an absolute majority of the chamber.

The president holds office for 6 years, and he cannot be re-elected until 6 years after the termination of his last mandate.

The constitution allows to all citizens freedom of opinions and ideas, but may hold these rights in suspense by a government decree in cases of impending danger to the nation.

Spanish Cabinet Free from Reds

By LUIS CALDERON,

Spanish Ambassador, in a Statement Made at Washington Explaining That Spain Is Not Ruled by Communists or Syndicalists.

Probably impressed by the fact that the Syndicalists and Communists are voluntarily co-operating with military and police forces, as well as with the Spanish people that are supporting the government, some newspapers have published telegrams by which the present Spanish Government is described and qualified as a Red, or Communist, government.

It seems, therefore, necessary to state for those who have not followed Spanish politics closely in recent months that:

The present government is a constitutional government and has a parliamentary majority.

The members of the Cabinet belong to parties and groups of the Republican Left and even to some of the Republican Centre parties.

There is no representative from the Syndicalist or Communist groups of Parliament within the Cabinet.

Spanish Turmoil Hits Old Colony

Codfish Shipments Held Up—Portuguese Sales Higher

Disturbed internal conditions in Spain have had their effect on the Newfoundland cod fisheries. Usually one of the most important markets, shipments consigned to Spain in recent weeks have been held over in England, pending some settlement of the civil war. Newfoundlanders consider that under existing conditions, to send codfish to Spain would be a sure gamble with no guarantee that the shipment would reach the proper consignees, and, even more important, with almost no certainty of exchange payment.

Some expected that raising of sanctions against Italy would have restored one of the major markets for codfish. It will be recalled, however, that even before the Ethiopian conflict, the severe exchange restrictions on exports to Italy were in force. At that time, an exchange clearing agreement was established between Great Britain and Italy, under which Newfoundland participated.

Require Exchange Agreement

It had been hoped that this agreement would be revived, but advice from England is to the effect "that the Italian government is not willing to accept any arrangement with regard to trade debts which His Majesty's government could regard as adequate." Until some means of clearing up this exchange difficulty has been arrived at, it is unlikely Newfoundland will find any substantial market for her fish in Italy.

Meanwhile, sales to Portugal, which had been held up pending price negotiations, have been proceeding apace recently. More than 60,000 quintals have been consigned in the past few weeks. These shipments bring the total sold to date this year in the Portuguese market to about 25% more than in the same period a year ago. Prices have ranged somewhat higher than in 1935.

Public Utility Earnings

Barcelona Traction

June	1936 Pesetas	1935 Pesetas	Increase Pesetas
Gross earn.	9,308,421	9,234,633	73,788
Oper. exp.	3,643,579	3,468,964	174,615
Net earn.	5,664,842	5,765,668	*100,826
Six Months			
Gross earn.	[illegible]	[illegible]	[illegible]
Net earn.	[illegible]	[illegible]	[illegible]

Newsprint Securities (No. 5)

Abitibi Power & Paper

New Securities Should Permit Participation in Recovery

Those who invest in the bonds, the preferred or common shares of Abitibi Power & Paper Co. at present are speculating on the probable results of reorganization plans soon to be devised and proposed for Abitibi. Bondholders' and shareholders' committees have intimated that they are busy on the problem and the possibility of new money being injected into the company has also been much discussed.

The main guidance at the disposal of the investor, who wishes to invest in Abitibi shares before the reorganization, is in the successive reports of the receiver, G. T. Clarkson, and in the statistics showing the rapid improvement in the industry as a whole. These show that Abitibi has participated in the general improvement of the industry but not to an extent that makes it possible for the company to come out of the shadow of bankruptcy until there has been a drastic reorganization. Obviously a company which earned only $1.2 millions before depreciation and bond interest and whose depreciation charge in 1931, the last full year before the receivership, was $1.3 million, is in no position to leave the protection of the receivership.

Must Revalue Assets

A drastic revaluation of assets would make the charge for depreciation in future much less, but suppose the assets were valued at half the old valuation of $191.7 millions at the end of 1931 and half the depreciation allowance was therefore all that was considered necessary, that would still leave out of 1935 earnings only enough to pay less than one fourth of the $2.4 millions required for annual interest. This does not take into account the likelihood that $1 million annual sinking fund would be required as well at present.

It would appear therefore that a reorganization which would take the company out of receivership, must change the character of the 5% bonds either into something like income bonds or a preferred stock on which interest is not cumulative. Even with such a change it is a sure thing that the only events which will make the new securities permanently valuable are increased tonnage output and a somewhat higher rate per ton than the $40-$41 now being obtained. Such higher rates do appear to be in prospect with $42.50 a ton announced for 1937 by Great Northern Paper Co. and with Lord Rothermere saying that the industry should be able eventually to command $50 a ton.

What securities have the reorganizers to deal with? The following table shows securities outstanding and present arrears of interest and dividends:

Securities Outstanding

	Present $	Arrears $	Total $
1st 5's ...	48,267,000	10,860,075*	59,127,075
7% pfd...	1,000,000	350,000‡	1,350,000
6% pfd...	34,881,800	11,510,994‡	46,392,794
	84,148,000	22,721,069	106,869,869

1,088,177 no par value common shares.
*To June 1, 1936. ‡To October 1, 1936.

Want to Participate

It is likely that 1936 will show a larger proportion of earnings available for the bonds than 1935 did but no reorganization plan can hope to provide for repayment of arrears. The arrears will doubtless figure in the basis for determining the proportion in which new securities shall be distributed, however. And whatever security they now accept bondholders will want something which will enable them to participate in future improvement to the extent of their rights under the present issue. The preferred stocks will want to come in as well and the common shares have been bought as a long shot by many speculators who hope that some disposition will be made to recognize its existence.

To get at a fair basis it is well to recognize not only arrears of interest and dividends but amounts which would have to be earned by the company to meet the demands of the various securities at present issued. The $1.2 million earned in 1935 would have to increase to $6.9 millions or possibly only $5.2 millions on another calculation, to pay the following amounts not deducted in 1935:

	Millions of $
Depreciation	1.3
Bond interest	2.4
7% pfd. divs.	.07
6% pfd. divs.	2.1
Sinking fund	1.0
	6.9
Eliminated by reorg.†	1.7
Total	5.2

†Half depreciation and all sinking fund.

How much of that can be earned? The company's peak earnings in 1929 were $8.4 millions when newsprint sold at $60 a ton. With the same price for newsprint and full operation it could earn more in all probability now because in the meantime expenses have been reduced materially. But the price for 3 years has stayed at $41 a ton for inland points and $40 for seaboard points.

Can it ever get back to those old earnings? That question leads to another question, will the newsprint price go up and will Abitibi ever reopen all its mills to fill a larger demand? And if so, as it opens one mill after another, what effect will it have on earnings?

The following 2 tables, the first showing total capacity of Abitibi plants, and the second showing the total capacity of plants operated as shown in the last report and the actual tonnage obtained, are vital in this analysis because they are the means by which contiguous and tributary timber reserves must be turned into wood pulp and paper and eventually into profits:

Abitibi "Quotes"

	1935 High	1935 Low	1936 High	1936 Low	Aug. 8 1936
5% bonds, '53	41½	26	59¼	40½	56
6% pfd.	$9.50	$3	$13.87	$6.50	$12.75
Certs. of deposit ...	$7	$3	$14	$6.75	$13.25
Common	$2	$0.55	$2.50	$1.30	$1.90

Newsprint:		Tons Daily	Tons Annual
Iroquois Falls	(1)	600	186,000
*Fort William	(2)	170	52,000
*Espanola	(3)	325	100,000
Sault Ste. Marie	(2)	250	78,000
*Sturgeon Falls	(3)	150	46,000
*Beaupré	(2)	250	78,900
Pine Falls	(1)	250	78,000
Thunder Bay	(2)	250	78,000
		2,250	696,000
Beached sulphite:			
Smooth Rock Falls		193	60,000

*Closed down, 1935.
(1) Low cost plants.
(2) Efficient plants.
(3) Less efficient plants.

Actual 1935 Output

Plants:	Capacity in tons annually	Newsprint output in 1935
Iroquois Falls	186,000	153,815
Sault Ste. Marie	78,000	84,114
Port Arthur	78,000	33,224
Pine Falls	78,000	17,943
	420,000	289,096
Unused capacity		130,904

What 4 Mills Can Earn

A very rough net profit estimate—rough because no one can take into consideration various fluctuating factors such as changes in wages, freight rates, coal costs, expenses of getting wood to the mill as source gets farther away—would indicate that full operation of the 4 mills shown in the second table would give a minimum of $2 millions net profits before depreciation. A price of $41.50-$42.50 for 1937 seems possible and that should make a minimum of $2.75 millions attainable or $3 millions if cost of idle properties is further reduced by $250,000.

Prospects of Other Mills

The next problem of the company seems to be to get full operation of its efficient plants at Beaupre (Ste. Anne Paper Co.), Thunder Bay (Thunder Bay Paper Co.), Pine Falls (Manitoba Paper Co.) Under 1935 conditions Thunder Bay, Ste. Anne and Manitoba Paper companies were losing enterprises but under full operation they would make money even at present prices, it is believed. The Ste. Anne Paper Co. mill at Beaupre on the north shore of the St. Lawrence, 22 miles east of Quebec City, is in an excellent position to ship by water for overseas consumption if basic costs are low enough or newsprint prices high enough. Manitoba Paper Co. can manufacture at low costs but market conditions have not been favorable. Thunder Bay has water access on Lake Superior as has the Fort William mill of the company.

Six Mills on Water

The company has therefore 4 efficient mills contiguous to water at Sault Ste. Marie, Fort William, Thunder Bay and Beaupre. One might add the 2 mills of the former Spanish River Co. at Sturgeon Falls and Espanola but these are less efficient mills than the other 6 newsprint mills of the company. At a much higher price for newsprint they might operate after a lot of money was spent to modernize them. It is possible they may be sold for other purposes some day as the tributary limits are very large. Probably $60 a ton for newsprint might cause them to be resurrected but while the price is $40-$41 a ton, with the manufacturer absorbing the cost of freight to his markets averaging $5½ to $8½ in recent years to Abitibi, this looks like a long time to wait.

The following 2 tables roughly set forth why those who are now buying Abitibi securities hope for increasing tonnage and make a basis for judging what increasing prices will mean in increased profits:

Increasing Sales

	Abitibi sales (tons)	Per cent of capacity	% of total Canadian production
1935	289,096	41.5	9.3
1934	239,408	34.4	9.2
1933	195,258	26.7	9.7
1932	207,127	28.4	10.9
1931	264,807	36.3	11.9
1930	371,593	50.9	14.9
1929	528,181	72.4	19.4

N.B.—General market price 1933, 1934, 1935 and 1936 has been $40-$41 per ton f.o.b. mill with costs of freight to destination paid by manufacturer.

Sulphite Pulp

1935	45,949 tons
1934	38,721 tons

N.B.—In March, 1935, price dropped $5 a ton, largely compensated for by increased efficiency and lower manufacturing costs.

Unused Capacity Possibilities

Full capacity of the mills operating in 1935 would mean 60% of the company's total capacity. Excluding Espanola and Sturgeon Falls mills full operation of all mills would produce nearly twice the amount actually produced in 1935. A minimum of $3 millions net profits before depreciation would seem to be easy to attain under such conditions without change in price. With $1.50 a ton more in 1937 such an output would make $4 millions theoretically possible although such capacity output is not likely. Run these mills at 90% of capacity there would be something like $700,000 additional profit for each additional $1 a ton for newsprint, other conditions remaining equal.

Supposing the company sold only the 528,181 tons sold when it made its peak earnings in 1929, that should give $2 millions minimum profit and for every $2 a ton additional on the price, an extra $1 million of profit. Thus a price of $50 would give it possible net minimum earnings of $7 millions in a year when it reached the old record tonnage. That would permit payment to new security holders of enough to pay the equivalent of present interest on bonds, annual preferred dividends and $1 million on common.

May Be Bond Issue

These possibilities to many will seem very far away. But in the reorganization the new securities must be such as to permit the holders to share in such a possible prosperity if it ever comes. But the reorganizers must take into account as well the possibility of a new trade falling-off as a result of wars and rumors of wars and lack of international trade co-operation. Therefore they cannot afford to give a security which has a right to disbursements supposing there should be a few bad years. To get new money it is possible a new bond issue will be needed to make good on contract to pay $2.7 millions still owing to get complete possession of shares of Thunder Bay Paper Co. and to make working capital adequate. The working capital has been improving under the receivership.

Timber Limits Adequate

Most experts agree that there is little reason to worry about the Abitibi timber limits. When the company went into receivership on September 10, 1932, it was estimated that on 29,405 square miles of concessions it had nearly 60 million cords of wood suitable for pulp. Of these limits there are 10,900 square miles of concessions bearing 18.5 million cords tributary to mills which have been closed down through the depression or operated only intermittently. The government authorities under such conditions have the right to refuse renewal.

So far as Ontario is concerned, and the greater part of the company's limits are in Ontario, Hon. Peter Heenan, minister of lands and forests, has declared it to be the policy of his department "to provide all operating mills sufficient wood for their present and future protection but the province might require the surrender to it of areas not needed for such purposes." If the company wanted to operate a mill which has been closed down, it should not be difficult to get leases renewed under this policy as it is the desire of the government to promote output. Where there are conflicting claims as to timber territory some changes have been made but the policy followed by the minister is to allot a territory for exploiting to whichever company is best placed to use the pulpwood. Companies are on sound ground when they seek leases for the "natural areas" tributary to their plants. Certainly all the timber areas necessary for the present and future operations of Abitibi have been conceded.

Stumpage

Some hope has been expressed by various operators that stumpage rates and other dues would be reduced. In this analysis it is taken for granted that no reduction will be granted. The companies may be on good ground in claiming the dues should be less under present difficult conditions and urging the government continuously to make a change. But so far all pleas of the kind have been refused.

Timber limits of Abitibi tributary to the Iroquois Falls mill and some other mills have been exceptionally good and woods operations have been skilfully and economically conducted, The Financial Post is assured by men who have been in a position to watch operations understandingly for many years. This has had to be the case if a plant far inland, and obliged to pay the higher railroad freight rates, is able to compete for markets with companies at tidewater or able to load on lake steamers.

Water Hauls

A cheap water haul is very important to a company. That may explain why Abitibi placed such stress on modernizing the Sault Ste. Marie mill. None of the other lake mills of Abitibi has received one quarter of the attention. The plant is wonderfully well placed to serve Chicago, Lake Michigan, Lake Huron and Lake Erie points with newsprint.

Though Ste. Anne might possibly compete for orders outside this continent and on the seaboard, it would seem that Abitibi would have as its natural market the interior of Canada and the northern interior parts of the United States. It does sell to New York City but it would probably absorb more freight rate by quite a bit than do the companies with mills and limits on the St. Lawrence River and with easy access by ship to New York City. There it also meets competition from every paper-making country in the world.

Its inland position away from the largest seaboard markets probably explains why Abitibi showed until 1935 a decline since 1929 in its proportion of the total Canadian newsprint exports. But its utilization of its own capacity has been improving for 3 years.

A Flyer in Futures

To conclude, those who buy Abitibi securities are speculating that business activity will grow, that there will be more advertising and therefore larger newspapers and that this demand will soon take all the effective capacity that Canadians can supply at present low prices. If they are right then the fact that Abitibi is at present earning only a small part of the bond interest will not prove important. A fair reorganization plan is bound ultimately to be presented but it is safest in the meantime to buy the senior securities although the common would have the largest jump if it were recognized in the reorganization by any security at all

It is a little soon for a reorganization but the powers that be in Queen's Park and many of the security holders want it. So it will probably come. A business or trade setback is the chief possibility to worry over but on the whole the financial barometer seems set for fairer weather for this company than for some years.

Walkerville Brewery 1936 Sales Increasing

Walkerville Brewery net profits for the first half of 1936 were $15,-969 before depreciation of $14,582. Increased federal government sales tax affected earnings materially, states the president, H. Radner in a letter to shareholders. Current assets stand at $360,469 including $129,906 in cash and Dominion bonds while current liabilities are low at $35,819.

"Net sales for the period," reports Mr. Radner, "have increased 23.3% over the same period in 1935. The gross sales through warehouses in Ontario for June for all breweries increased only 7.83%, while this company for the same period increased its sales 35.5% and it can be seen that marked progress is being made with respect to sales. It must also be taken into consideration that no continuous warm weather was experienced in either May or June this year."

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P. T. Legaré

I would appreciate your opinion of the reorganization plan for P. T. Legaré Co. What are the bonds worth?

The approximate market for bonds of P. T. Legaré Co. is 23 bid, 28 asked. There is, of course, no prospect of receiving any interest at once, but there is an eventual prospect of receiving some payment on the proposed new issue when the company gets out of receivership.

We believe the only course for bondholders such as yourself to pursue is to accept the exchange of $25 of new bonds and $75 of new preferred stock for each $100 of bonds you hold. The market for same is hardly likely to be any lower, at least for the present, than the market for the old bonds. The receiver and bondholders have considered piecemeal sale of the entire property, but have decided that it is better to let it run along and try to get their money out of rebuilding the business. You can see from the reorganization scheme that the bondholders will be wiping out junior security holders entirely. A more favorable arrangement for the bondholders would be hard to visualize, since bondholders are going to get most of the new senior securities, and new interests are putting up the cash necessary to furnish adequate working capital.

International Carbo-Ice

I would appreciate any information you can give me on International Carbo-Ice and the market value of its shares.

International Carbo-Ice Ltd., Toronto, has a capitalization of $273,-000 of 7% preferred stock, shares of $25 par value. Dividends are not being paid on these shares. There are 400,000 common shares.

The company carries on manufacture of dry ice in Ontario through a subsidiary, Carbo-Ice Ontario Ltd. This subsidiary has capital of $150,000 in preferred shares and 100,000 common shares. The parent company owns 80,100 of the 100,000 shares of Carbo-Ice Ontario. We understand the Ontario company has been doing very well, and will earn in excess of preferred dividend requirements. Then, any payment on the common shares would accrue to International Carbo-Ice Ltd. Such dividends, if any, would be available for preferred dividends on International Carbo-Ice 7% stock. Even though the Ontario company is doing well, however, earnings are insufficient to pay dividends on the 7% preferred shares of International Carbo-Ice Ltd.

The success of the Ontario company leads to expectations that similar successful dry ice enterprises can be undertaken elsewhere, notably in England. If an English subsidiary is formed, as is expected, International Carbo-Ice would get common shares for the use of its process, and might eventually reap earnings from such a development.

There has been little or no market for the preferred and common shares of International Carbo-Ice, but we understand that some transactions in the common shares were made around $2.50 a share.

Stop and Shop

Can you tell me whether there has been any improvement in results of Stop & Shop Ltd. this year? I hear talk of a merger with another chain and wonder what there is in this.

We understand that since the close of the fiscal year, sales of Stop & Shop Ltd. have shown about a 10% increase. However, the summer period is normally not a profitable one, so that it would be unsafe to presume that the entire year will show substantial improvement in results, until sales for the latter part of the year are known.

The rumor you heard about a possible merger with another chain doubtless refers to talk of purchase of the company by Dominion Stores. Once there was discussion of such a merger, but the scheme has fallen through, and is now believed to be less likely than ever.

C. S. L. Preferred

I have thought of speculating in Canada Steamship Lines preferred. What was the price of the stock in 1929? Is the outlook reasonably promising?

Canada Steamship Lines preferred sold as high as $98 and as low as $65.50 in 1929, and the outlook for the shares depends largely upon the volume of lake shipping. The company's record has not been satisfactory to the preferred, and the outlook for the preferred in any reorganization is none too promising in view of the claims of bondholders.

N. Bawlf Common

I notice Bawlf Grain common is very low and wonder how high the stock was in 1929. Is there some prospect of early recovery in the company's business?

N. Bawlf Grain Co. common shares sold as high as 31 and as low as 24 in 1929. The company's earnings depend upon the volume of the western grain crop in areas where it operates, and also upon rates received for its services. The outlook depends largely upon grain crops, prices and elevator rates in western Canada. There does not seem to be much promise of revival of business until 1937 anyway, and the preferred shares are in arrears $29.25 a share, which of course comes ahead of the common stock.

Windsor Hotel

Will you kindly give me some information on the recent financial position of Windsor Hotel, Montreal, and possibilities of resumption of bond interest?

Windsor Hotel Ltd. is enjoying improved business this year, but at the close of 1935 had a deficiency of $65,500 in working capital. This contrasts with net working capital of nearly $790,000 in 1930. Until this position is considerably improved, it hardly seems likely any interest will be paid. In 1935, earnings amounted to $112,697, from which depreciation deduction of $100,000 left only $12,697 to cover bond interest totalling $191,183 which was therefore passed. When earnings and working capital are improved, it may be possible to pay some interest. The bondholders' committees are in close contact with the hotel company's affairs.

Celanese Dividends

I understand there was some irregularity in payment of dividends on Canadian Celanese 7% preferred shares after 1930, and before buying would like a brief summary of what happened.

The initial dividend on preferred stock of Canadian Celanese was 3½% on Dec. 31, 1930. There was a semi-annual payment of 3½% on June 30, 1931, and quarterly payments were started Sept. 30, 1931. Regular quarterly payments have been made since. Extra dividends on account of arrears were paid: 1%, Dec. 31, 1932 and June 30, 1933; 1½%, Dec. 30, 1933, and ¾% on March 31, June 30 and Sept. 30, 1934. This left $25 a share of dividend arrears, which were funded by issuance of income funding rights, dated Jan. 1, 1935, covering all arrears prior to Oct. 1, 1934. The irregularity to which you refer was probably the payments of 3½% in 1930 and 1931.

Tooke Bros.

Tooke Bros. common is a low-priced stock that looks to me to have possibilities of a come-back. Is this likely?

Although losses have been reduced in the past 2 years, the general record of Tooke Bros. earnings over the past 15 years is not indicative of strong recovery possibilities. Further improvement is possible, of course, but any gain in earnings seems likely to be fairly modest in amount.

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Recovery Possibilities

Recently you mentioned numerous securities in a series of investment articles and I would like you to repeat in brief some of the listings. My interest is investment without excessive risk to take advantage of further recovery.

Any abbreviation of varied securities discussed in the articles would include, first, C.P.R. 3½% convertible bonds due 1951. Up to 1944, these bonds are convertible at the option of the holder into 4 shares of common stock for each $100 of bonds. Then there are securities like Moore Corp. Class A preferred which also is convertible into common stock; one share of preferred for 4 common.

Loblaw Groceterias class A stock offers a yield of close to 5%, and has a good record.

The yield on Montreal Power is also close to 5% at the current level.

British American Oil common offers only a small return on the present value, but is making substantial headway in United States earnings from Oklahoma Oil fields.

International Petroleum offers both a large yield, and the possibilities that the substantial dividend will be earned.

You might be interested in some of the investment trust securities, such as Canadian General Investments shares, selling at $8, compared with a break-up value of the investments in the portfolio of close to $12 a share. Dominion Scottish and Economic Investment Trusts, or units of Investment Foundation may also interest you, in that they give a substantial yield with possibilities of increase.

Among more speculative investments were mentioned some base metal mines that are not producing at present, such as Coast Copper which has been closed, and Opemiska which is coming into production.

As a means of avoiding income tax, and at the same time taking an interest in the possibility of building recovery, National Sewer Pipe class A shares were listed, since selling at $17 each, the shares have an interest in net working capital in excess of $30 a share. The company has been losing money but the strong liquid position should help carry it through to better times in building.

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Reserve Liability of Proprietors	8,780,000
	£23,710,000
Aggregate Assets 30th Sept., 1935	£115,559,000

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Notwithstanding

that experience has proven failure to make a Will one of the greatest mistakes a property owner can make many neglect this duty. If you have no Will there is a possibility of trouble and loss for your heirs which you can prevent by taking proper precaution now. Consult your lawyer and our Estates Department. He will draw your Will—we will act as Executor and Trustee.

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House Building Takes Up Slack In Construction

Private Initiative Replacing Government Spending

QUEBEC LEADS WAY

Comparisons indicating a rise of 3% in construction contracts and about 11% in contemplated construction during the first 6 months of 1936, over the same period of 1935, do not make an impressive picture of the recovery trend in Canadian building industries.

Nor do they reveal the true picture which, from an economic standpoint, is decidedly healthier than the figures indicate.

A year ago the federal government was spending money freely—too freely in the opinion of many observers—for erection of public works. Post offices, armories, docks and other Dominion government works sprang up in nearly all parts of the country and for a time they gave the appearance of a boom in the construction industry.

As impetus for a revival of construction on a large scale, the federal works programme was a double edged influence. It resulted in scores of new buildings and a drain on the taxpayer for their maintenance and operation, offset to some extent by post office revenue. In the main they are not self-supporting, however.

Fewer Relief Projects

On the other hand, it provided work for thousands of Canadians at a time when it was most needed, and created a demand for building materials of all kinds. Temporarily of benefit, the federal works programme can scarcely be said to be sound policy in a long term economic sense and the dwindling volume of federal construction in recent months is a healthy sign.

The minor percentage gain in actual and planned construction volume in the first 6 months of 1936 would, however, have been a sharp reduction if nothing had occurred to take the place of federal works projects. Fortunately the slack was taken up by private building enterprise—and in this respect the federal programme may be said to have achieved one of its primary objectives.

Private Enterprise Reviving

Private construction enterprise in the residential building field consequently means much more than a favorable statistical comparison. It signifies a revival of confidence among home builders, lending institutions and contractors, a freer flow of private building funds and a considerably wider distribution of business among building equipment manufacturers and dealers. Plumbing and heating sales, among others, are expected to show a substantial improvement with expansion in home building operations, according to the Canadian Institute of Plumbing and Heating.

From available statistics, the expansion of home building is showing its most pronounced trend in Quebec, Nova Scotia, Alberta and New Brunswick, although Ontario still leads in dollar volume. New building under contemplation is reported in heavier volume from Nova Scotia; and in lesser degree from Saskatchewan and Quebec.

Ontario, where federal works made up a large part of last year's construction, show a decline of 13% in contracts awarded for the first 6 months of 1936, compared with the same period of last year, and construction contemplated is only 2% above the corresponding period of 1935.

With this exception, the midsummer outlook for construction is far more hopeful than the minor increases in totals for all Canada would indicate.

Genuine building enterprise has taken the place of government-sponsored construction and government relief spending. In that, is probably the healthiest sign the industry has shown since the depth of the building depression in 1933.

Comparative figures, issued by the Canadian Institute of Plumbing and Heating, reveal regional variations in Canadian construction activity, showing that Ontario and Quebec account for 72% of total construction contracts awarded or contemplated in the first half of 1936.

In residential building the preponderance is even greater, since contemplated new residential building in June alone was distributed throughout Canada as follows:

June Building (Planned)

Ontario	55.8%
Quebec	24.8%
Central provinces	80.6%
4 Western provinces	11.7%
3 Maritime provinces	7.7%
West and East	19.4%

Western and Maritime Provinces accounted for 28% of contemplated new residential building, however, if the compilation is made on a basis of residential units instead of the above figures representing dollar values.

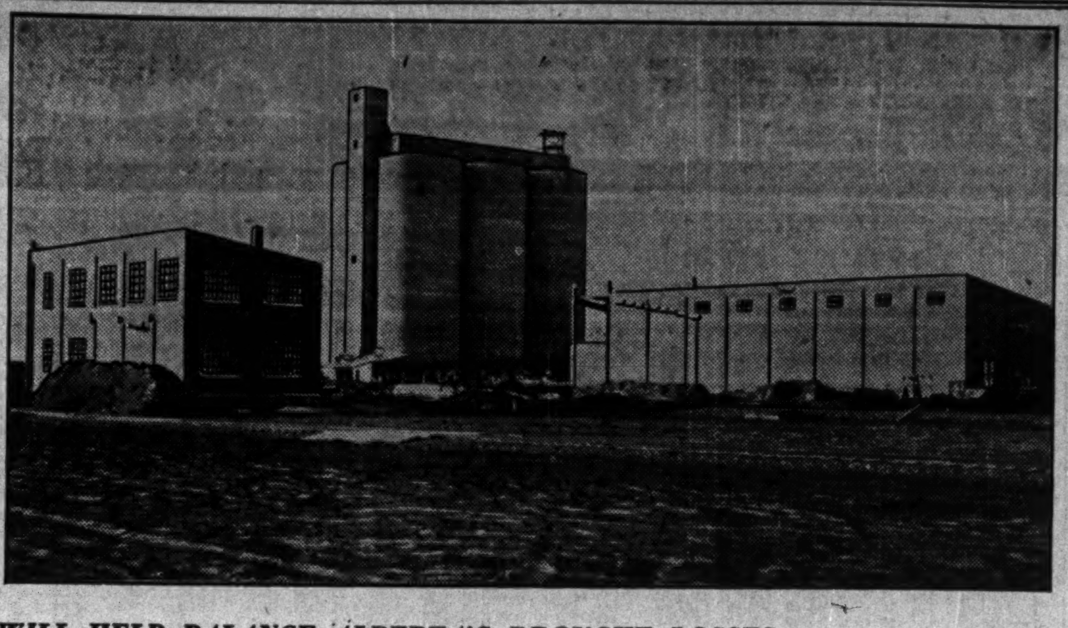
Building Permits Lower

When building permits are used as a basis for comparison between building activity this year and in 1935, the first 5 months of 1936 reveal a decline from the same period a year ago in almost every city of the central provinces. Exceptions are St. Catharines, Forest Hill and Swansea, all in Ontario. The few cities showing important gains in other areas of Canada were located in the extreme east and west. They were Vancouver, Victoria, New Westminster, Edmonton, Halifax and Syndey. Figures for the first 7 months of the year show a reversal of the earlier trend, however, and a small dollar volume gain over the 1935 period.

The record for the first 6 months of 1936 compared with the corresponding period of last year, follows:

Canadian Construction

	Contracts awarded & contemplated 6 mos. 1936 (000's omitted) $	% increase or decrease 1st 6 mos. 1936 vs. 1935 Awarded %	contemplated %
Ont.	89,000	—13	+ 2
Que.	73,000	+60	+31
N. S.	17,000	+63	+98
B. C.	13,000	—39	—42
N. B.	11,000	+24	— 2
Alta.	9,000	+10	+ 1
Man.	8,500	+12	+12
Sask.	5,000	—34	+32
P. E. I.	900	—39	— 6



WILL HELP BALANCE ALBERTA'S DROUGHT LOSSES

From Our Own Correspondent

LETHBRIDGE.—Although Southern Alberta's dry land areas will raise this season not more than half a crop, the quarter of a million acres of irrigated lands will give a good return.

Beet Growers Do Better

In connection with the irrigation development in this region — a life saver in a drought season such as the West has seen this year — the sugar beet is playing a part more and more important. With the opening of the second Alberta factory set for this fall upward of 20,000 acres of beets will be harvested. The average yield should be around 10 tons and despite the low market price for refined sugar, farmers will receive in excess of $6 a ton for their beets. Thus Canadian Sugar Factories, Ltd., beet subsidiary of the B. C. Sugar Refining Company, of Vancouver, will distribute probably a million and a quarter dollars of new money to farmers, not to mention factory payrolls and money expended for supplies such as coal, lime, bags, etc., and freight.

The new Picture Butte factory 18 miles northwest of Lethbridge will be the most modern beet sugar plant on the American continent, experts state. It will have a slicing capacity of around 1,400 tons of beets daily and will cost $1.25 million. C. Bentall, of Vancouver, is in charge of construction, and it is expected the plant will be ready to handle this fall's run of beets.

Much Material Used

Some idea of the plant may be gained from the fact that 75 cars of lumber and piles will be used in the construction of the large factory; 41 cars of steel, 44 cars of cement, 97 cars of machinery, 87 cars of brick and 20,000 tons of sand and gravel. Three hundred men are now employed on the job. More than 90 cars of coal and coke and 49 cars of lime rock will be used in the run.

In addition to the factory itself a series of cement elevators or "silos" shown above will be part of the plant in which will be stored the refined sugar in bulk. Later this sugar is bagged for the trade.

Outlook Good In Dominion For Lumbering

Royal Bank Finds Outlook Encouraging Both in East and West

Excellent conditions are reported in the lumber industry in both B. C. and the Maritimes, according to a special survey by the Royal Bank of Canada.

This is the way Canada's big primary business looks at the present time, according to that authority.

"A strong export demand in all markets, with the single exception of Japan, and continued high prices in spite of keen competition in overseas trade, are the keynote to the satisfactory situation of the B. C. lumber industry. In June, Vancouver exports established a new high record of 109 million feet. As a result of the continued interest in wooden houses in Great Britain it is expected that 1936 exports to the United Kingdom will exceed those of last year.

"For the first 5 months of the year an increase of 17 million feet over the same period in 1935 was recorded. So far as other Empire trade is concerned, business with Australia, New Zealand, South Africa, the British West Indies and the South Sea Islands has been very satisfactory.

"If it were easier to arrange credits with China there is no doubt that there would be larger orders from that market, as the development of the interior of China is proceeding at an astonishing rate in spite of disturbed political conditions. Timber products now constitute Canada's leading export to China.

"Conditions in Japan are unsettled at the present moment and business is more or less marking time. While imports by the United States have not been up to the quota established, they have been more than satisfactory when one considers the low level of lumber consumption in that market. Now that new building is beginning to assume larger proportions, the outlook in that market may be considered favorable.

"In Eastern Canada lumbering conditions have been generally satisfactory. As a result of the small cut last winter, sawing operations will be completed earlier than last year. Export shipments to Great Britain continue in moderate volume, but the demand from the United States is still quiet. Total shipments of hemlock during the 12 months ended May 31, 1936, amounted to 124 million feet, a substantial increase over the total of 96.8 million feet reported for the previous year. Shipments of spruce for the same period declined to 291 million feet from the total of 370 million feet reported for the year ended May 31, 1935.

Big Hospital Outlay For London District

An outlay of money in excess of half a million dollars is expected to be made for hospital construction in the London (Ontario) area within the next year. Answering a deputation from the city, Premier Mitchell Hepburn stated the government expected to have to spend $600,000 in remodelling the Ontario Hospital and in building a new wing.

This deputation, however, was more concerned about getting extra accommodation for the Victoria Hospital and hoped to be able to convince the government of the necessity of a grant to that effect. The argument advanced was that an improvement of the Victoria Hospital would permit diversion of some patients from the overcrowded Ontario institution. The deputation proposed raising approximately $400,000 for the purpose, $300,000 of which would be supplied by the city and private authorities and $100,000 from the government.

Incidentally the Ontario government is considering an outlay of several million dollars on mental hospitals within the next 2 years.

Soap Exports Lower

Canadian exports of soap have declined sharply from a year ago. Exports in June totalled 793,930 lb. with a value of $69,076 against 2,978,837 valued at $130,683 in the same month of 1935.

See Building Societies Developed in Canada

London (Ontario) City Council and Chamber of Commerce have discussed the possibility of establishing organizations similar to the British Building Societies in an effort to boost house construction.

In the Old Country these societies have been responsible for financing over a million houses since the war. As recently reviewed in The Financial Post, they provide mortgage money for financing houses, such loans ranging up to 90% of a fair valuation of the new house. Through them workingmen have been able to acquire homes of their own and to make use of the savings of more than 2 million small investors.

Members of building societies may take up shares, generally to a limited amount or make interest-bearing deposits withdrawable at notice. Originally members could use such funds for financing house purchase or building. But nowadays investing members and borrowing members are distinct. The average mortgage held by societies in Great Britain is slightly under £500.

The prediction is Ontario will soon see similar societies with a convention of such in the near future. The government, persons with money to loan and prospective home-builders might contribute to a fund which would be administered by a building society. Those desiring to build a house to be financed by the society would have mortgage money available from these funds as well as from a compulsory savings account with the society into which a stipulated amount of money would be paid each month toward the building and later the financing of their home.

Halifax Building Far Ahead of '35

From Our Own Correspondent

HALIFAX.—Building permits issued up to the end of June, 1936, are almost double those issued for the same period of 1935 in Halifax.

Up to the end of June, 1935, $294,025 worth of construction was effected, while the first 6 month period this year shows the value of applications at more than $525,000.

Piling Design First In Canada

Algoma Steel Pioneers in Development of Interlocking Sections

Continuing its programme of diversification which started in March 1935, Algoma Steel Corp. last month produced a new type of steel sheet piling, never before manufactured in Canada.

The new piling, according to T. F. Rahilly, general manager of the company, is made in 2 sections, for heavier or lighter work. Ability to lock the piles in either direction makes for flexible installation. By interlocking the piles in identical positions the width of the wall is kept to a minimum, making the material particularly suitable where available lateral space is limited. Interlocking in reversed positions gives a deeper arch and added strength.

Compete with Wood

These sections, it is stated, are competitive with wooden piling, and where the nature of the work will permit their being withdrawn for further use, are said to be cheaper than wood. The company claims that actual experiment has shown that such steel piles may be withdrawn and used over and over again. The material, of course, is water tight.

Contractors, it is stated, have been agreeably satisfied with deliveries of Algoma piling. Made in Canada, it can be produced and shipped with a minimum delay. Rush shipments are facilitated by large stocks being maintained in mill lengths for finishing.

The first shipment, consisting of over 200 tons, in 60-foot lengths, was consigned to the Dominion Bridge Co. for construction of a caisson on the new Fraser River Bridge.

The new heavy 15, 12 and 8-inch I-beams and channels which have now been manufactured by Algoma Steel since March, 1935, are reported to have had a good reception. These have been shipped into 45 Canadian communities from Nova Scotia to British Columbia, while the new piling has already gone into 35 different projects.

St. Lawrence Flour Mills Pays Bonus of $1 a Share

St. Lawrence Flour Mills Co. has declared a bonus dividend of $1 a share payable Sept. 1, to shareholders of record Aug. 20, along with the regular quarterly payment of 50 cents a share.

This will bring total disbursements on the 12,000 common shares to $3 a share for the year ending Aug. 31, 1936, compared with payments of $2 a share in the preceding year.

Earnings amounted to $2.91 a share in the year ended Aug. 31, 1935.

Now Considering Helping Tenants

Washington May Subsidize Them as Well as Housing

Housing authorities at Washington are now considering a plan to extend some financial assistance to the tenant class. Admitting disappointment that the government scheme of providing cheap money had failed to stimulate maximum results in low-priced house construction, one government group is swinging around to the idea of a rental subsidy in addition to low-cost financing.

This group argues there is a very large percentage of the people in the tenant rather than the owner class and that probably a very large portion of this block is there by preference. They do not want to tie themselves down to any one neighborhood or to any long-term investment and are therefore naturally of the renting type. To give them accommodation and to encourage builders of such accommodation, it is proposed the government would offer a state subsidy of a certain percentage of the rent on approved dwellings.

If this amounted to say 20%, then the landlord could afford to rent $50 houses or apartments for $40 with the government making up the deficiency. In the same way he would be encouraged to the extent of 10% in the construction of new apartment and rentable houses.

N. S. Gypsum Shipments Going to Great Britain

From Our Own Correspondent

HALIFAX. — Shipments of gypsum from the plant of the Atlantic Gypsum Products Co., Cheticamp, C.B., continue at a brisk rate to England. The largest cargo to leave the plant during the present year was taken by the S.S. Fishpool which sailed for England with 7,000 tons.

$13,000 Contract Awarded For Addition to Hospital

From Our Own Correspondent

HALIFAX. — Contract for the proposed new addition to the Soldiers Memorial Hospital, Middleton, N.S. has been awarded to J. H. Hicks & Son, of Bridgewater, N.S., for $13,000. The heating system is not included in this amount.

Amherst and Waterford Get $40,000 Post Offices

From Our Own Correspondent

HALIFAX. — New post offices erected by the federal government have been opened at Amherst, N.S., and New Waterford, C.B.. Both buildings cost in the vicinity of $40,000.

Vegetable Imports

A total of 177,677 lb. of canned vegetables was imported into Canada in June, valued at $20,284, compared with 174,048 lb. at $16,074 in the same month of 1935.

Modernization To Be Keynote Of Exhibition

Latest Innovations Will be Shown by Leading Manufacturers

TO FEATURE DESIGNS

New materials and designs embodying the most recently developed methods of building and engineering practice will be shown for the first time in Canada on a large scale at the Canadian National Exhibition this year.

Widespread interest in home building and modernization methods now being used in the construction industry has resulted in sponsorship of a construction industry exhibition by the Canadian Construction Association. The exhibition will be representative of all branches of the industry including steel, lumber, brick and other types of construction. Construction and allied associations are co-operating as well as contractors in the plumbing, heating, interior decorating and electric industries.

In Engineering Building

A large section of the Electrical and Engineering Building of the C. N. E. has been allocated to the Canadian Construction Association and work is now proceeding in preparation for the installation of individual exhibits.

Modern designs and materials, many of which have been developed only during the last few years, will also be shown. These will be exhibited in relation to insulation, air-conditioning, heating, plumbing, and interior decorating of all types. Modernization plans for existing structures, combining the latest in lighting systems and other home equipment will form part of the exhibit.

Widely Representative

Leading Canadian manufacturers who have reserved space for the construction exhibition include:

International Fibreboard Co. (Tentest).
Link-Belt Co. Ltd.
Imperial Airways Ltd. (model airplanes).
Canada Cement Co.
Alfred Rogers Ltd.
Creswell, Pomeroy Co. (window equipment).
Chamberlain Metal Weatherstrip Co.
Canadian Yale and Towne Ltd.
Corbin Lock Co. of Canada Ltd.
S. A. Armstrong Ltd. (heating engineering).
Gurney Foundry Co.
Imperial Oil Ltd. (oil burner division).
Gar Wood Industries Ltd. (air conditioning).
Whiting Corp. (stokers).
May Oil Burner.
Iron Fireman.
Minneapolis, Honeywell.
Stromberg-Carlson Co.
English Electric Co. Ltd.
Hydro-Electric Power Commission of Ontario.
Kitchen Planning Service. (sponsored by Canadian General Electric and International Nickel).
Canadian Marconi Co. Ltd.
Toronto Brick Co.
Norge Refrigerators. (Rogers - Majestic Corp).
Dominion Sound Equipment. (Northern Electric).
Canadian General Electric.
Universal Cooler Co.
Moffatt's Ltd.
Canada Wire and Cable Co. Ltd. (plumbing and heating).

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AN OLD FORMULA
but it's still working

There is perhaps no inspiration in the statement that the surest way to win business is by hard work and giving people what they want.

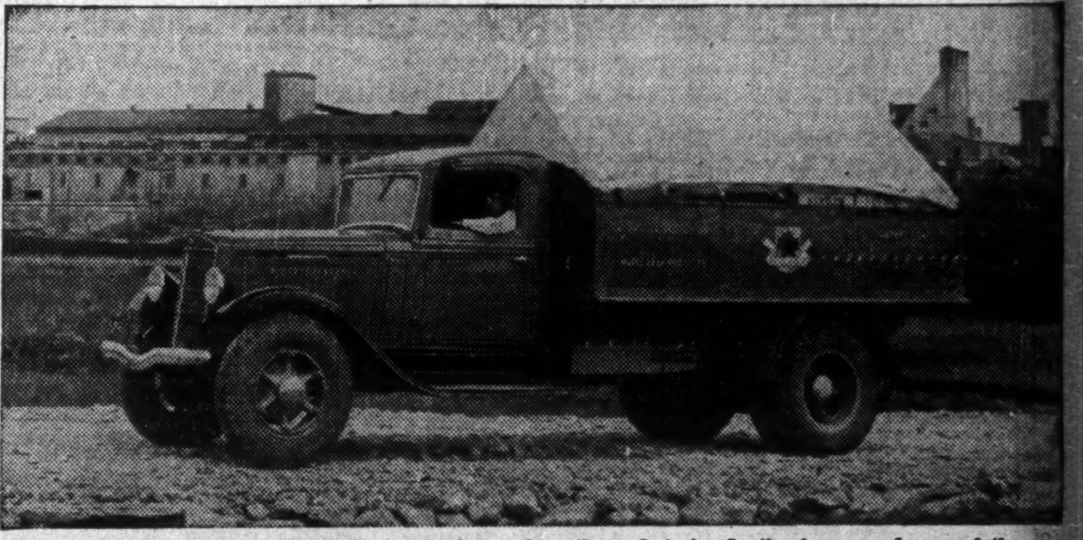
But there's a world of truth in it—as proved again by enthusiastic reports from tire dealers selling the sensational new Goodyear "G-3" All-Weather.

Here's the plain and factual record of this spectacular success:

Developed by months of hard work in the laboratory—and more months of hard testing on the road.

Met the people's desire for safety and long wear with a wider, heavier, flatter tread that delivers 43% longer non-skid mileage.

Started an avalanche of buying that made the Goodyear All-Weather more than ever the world's largest selling tire.



Above: A load of supplies for the gold miners of northern Ontario. In the foreground, one of the International Trucks owned by Canada Packers, Ltd. In the background, the world-famous Hollinger Mine at Timmins, Ontario.

INTERNATIONALS will see you through — they're built for the toughest work you can give them

International Harvester has built high-grade trucks for more than 30 years. Each year has brought us new proof of this basic truth; no truck builder can do the best job on everybody's hauling with only one or two models in the line. Internationals come in 28 models—83 wheelbase lengths—and our customers find a great many ways to use every one of them.

When you come to International Harvester you can buy *just as much truck as you need.* Our representatives will not ask you to buy *more.* Your own judgment will tell you not to buy *less.*

Some of the larger Internationals are six-wheeled giants, with dual drive and 15 forward speeds. The smallest model is a little pick-up truck that is well-known everywhere for its low-cost operation. Between these two extremes we make the widest line of light and heavy-duty trucks, for rock-bottom economy in every class of service.

Whatever size you choose, it will bring you *International Harvester value* in fullest measure, backed by outstanding service through direct factory branches and International Truck dealers the country over. Complete information concerning sizes, prices and terms will be sent on request.

INTERNATIONAL HARVESTER COMPANY of Canada, Ltd.
HAMILTON ONTARIO
Direct Factory Branches at: St. John, N.B.; Hamilton, London, North Bay, Ottawa and Toronto, Ont.; Montreal and Quebec, Que.; Calgary, Edmonton and Lethbridge, Alta.; Vancouver, B.C.; North Battleford, Regina, Saskatoon, Swift Current, Weyburn and Yorkton, Sask.; Brandon and Winnipeg, Man.

INTERNATIONAL TRUCKS

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

This table is confined to official prices for listed stock. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

WEEK ENDING AUGUST 10

Range 1936 High	Low	Div R'te $	Aug8 Y'ld %		Sales	Last Aug. 3	Week end. Aug. 10 H	L	Cl'se
				A					
2.50	1.25	.	...	Abitibi	5067	2.25	2.00	1.75	1.75
13½	6½	.	...	Do. pref. 6%	2456	13	12½	11	11
14	6½	.	...	Do. cert. dep.	200	13½	11	11	11
4½	4½	.	...	Acadia Sugar	....	(4 bid — asked)			
21	14½	50c	2.5	Acme Glove	....	(— bid 20 asked)			
100	95	6.50	6.7	Do. pref.	11	97	97	97	97
10	7½	40+20c	..	Agnew Surp.	....	(8½ bid 9 asked)			
107	100	7	6.7	Do. pref.	....	(105½ bid — asked)			
6	2	.	...	Alta. Pac. Gr.	260	2	3	2½	3
39	24	.	...	Do. pref.	80	24	25	24	24
3	2	.	...	Amal. Electric	....	(1½ bid 2 asked)			
23	14	.	...	Do. pref.	81	15	16	15	16
40½	29½	15c	...	Amer. Cyn. B.	105	36	36	35	35
55	51½	3.50	6.4	Ang. C. Tel. pf.	....	(53½ bid — asked)			
36	17½	.	...	Asbestos v. t.	457	35½	35	33	33
[illegible]									
3½	2	.	...	Walkerville Br.	908	2½	2½	2½	2½
2.25	1.00	.	...	Waterloo Mfg.	130	1.00	1.00	1.00	1.00
10	4½	.	...	West. C. Flour	....	(5½ bid 6½ asked)			
65	36	.	...	Do. pref.	129	46	46	45	46
55	46½	2	3.6	West. Grocers	5	50	55	55	55
110½	106	7	6.4	Do. pref.	....	(110 bid 115 asked)			
17½	13½	80c	4.6	Weston Ltd.	2530	17½	17½	16½	17½
102	98	5	4.9	Do. pref.	5	101	102	102	102
1.15	1.00	.	...	Windsor Hotel	....	(— bid 1 asked)			
4½	4	.	...	Do. pref.	....	(5 bid 6 asked)			
4½	2½	.	...	Winnipeg Elec.	330	2½	2½	2½	2½
18	10	.	...	Do. pref.	....	(11 bid 15 asked)			
53	38	.	...	Wood, A. & J. p	....	(— bid 50 asked)			
67½	50	.	...	Woods Mfg., pf.	....	(65 bid 70 asked)			
				Z					
4	2½	.	...	Zimmerknit, c.	20	3½	4	4	4
69	60	3.50▲	..	Do. pref.	....	(75 bid 85 asked)			

* Quotations for 1935. No sales recorded in 1936 to date.
▲ On account of arrears.
b New York quotations.
‡ Plus extra of $1.42½ paid Feb. 1, 1936.

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

Dominion of Canada Bonds

August 12, 1936

			Bid Aug. 12	Asked Aug. 12	Approx. Yield	Bid Aug. 5
†‡Dominion	5	1 Mar. 1937	102.25	102.70	...	102.40
‡Dominion	5½	1 Dec. 1937	106.15	106.55	.43	106.35
Dominion	2½	15 Oct. 1939	103.75	104.25	1.14	103.65
Dominion	4	15 Oct. 1939	108.35	108.85	1.19	108.25
Dominion	2	15 Nov. 1939	102.50	103.00	1.06	102.35
Dominion	1½	1 June 1940	100.65	101.15	1.19	100.65
Dominion	4½	1 Sept. 1940	111.30	111.80	1.49	110.85
Dominion	5	15 Nov. 1941	115.35	115.85	1.82	115.15
Dominion	3	15 Oct. 1942	106.25	106.75	1.84	106.00
Dominion	2½	1 June 1943	103.75	104.25	1.83	103.35
Dominion	5	15 Oct. 1943	116.35	116.85	2.42	116.15
Dominion	4½	15 Oct. 1944	114.50	115.00	2.46	114.25
▪Dominion	2½	15 Aug. '43-45	100.25	100.75	2.38▲	99.85
Dominion	4	15 Oct. '43-45	110.50	111.00	2.35▲	110.25
Dominion	4½	1 Feb. 1946	114.50	115.00	2.70	114.25
Dominion	3½	15 Oct. '44-49	106.50	107.00	2.54▲	106.25
Dominion	4	15 Oct. '47-52	109.75	110.25	2.94▲	109.25
Dominion	3	1 June '50-55	102.50	103.00	2.74▲	101.75
Dominion	4½	1 Nov. '46-56	112.75	113.25	3.03▲	112.35
Dominion	4½	1 Nov. '47-57	113.00	113.50	3.10▲	112.35
Dominion	4½	1 Nov. '48-58	113.50	114.00	3.14▲	113.00
Dominion	4½	1 Nov. '49-59	113.65	114.15	3.19▲	113.25
▪Dominion	3¼	15 Jan. '56-61	102.85	103.35	3.01▲	102.00
Dominion	3¼	1 June '56-66	103.40	103.90	2.99▲	102.75
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	102.00	103.00	2.82	101.50
Can. N. Ry.	3	1 May 1944	105.00	106.00	2.16	104.50
Can. N. Ry.	3	15 Dec. '45-50	101.75	102.75	2.68▲	101.25
Can. N. Ry.	3	15 Feb. '48-53	101.75	102.75	2.73▲	101.00
*Can. N. Ry.	4½	1 Sept. 1951	116.25	117.25	3.08	115.50
*Can. N. Ry.	4½	1 Feb. 1956	116.50	117.50	3.28	116.00
†Can. N. Ry.	4½	1 July 1957	114.75	115.75	3.44	114.25
*Can. N. Ry.	4¾	15 June 1955	118.25	119.25	3.37	118.00
Can. N. Ry.	5	1 Feb. 1954	118.75	119.75	3.48	118.50
*Can. N. Ry.	5	1 July 1969	118.25	119.25	2.84▲	118.25
*Can. N. Ry.	5	1 Oct. 1969	120.50	121.50	3.27▲	120.00
*M. Harb. C.	5	1 Nov. 1969	120.50	121.50	3.32▲	120.25
Provincial Government Bonds						
Eastern—						
N. Bruns.	4	1 Sept. 1954	104.25	105.25	3.61	104.50
†N. Bruns.	4½	15 Apr. 1961	110.25	111.25	3.80	110.25
†N. Bruns.	5	15 Jan. 1960	115.50	116.50	3.92	115.50
N. Scotia	3	2 Sept. 1945	100.25	101.25	2.83	99.75
N. Scotia	4½	15 May 1943	109.75	111.00	2.73	109.00
†N. Scotia	4½	15 Sept. '47-52	111.00	112.00	3.24▲	110.50
†N. Scotia	5	1 Mar. 1960	117.75	118.75	3.80	117.75
*Ontario	4	1 June 1962	107.50	109.00	3.47	107.50
*Ontario	4½	1 Sept. 1944	113.00	114.25	2.54	112.00
Ontario	4½	1 June 1950	112.50	113.50	3.23	112.00
*Ontario	4½	15 Jan. 1962	114.50	116.50	3.52	114.00
Ontario	5	15 Oct. 1948	115.25	118.25	3.30	115.00
*Ontario	5	2 Dec. 1960	122.00	124.00	3.53	121.50
Ontario	5½	1 July 1946	117.00	118.00	3.36	117.00
O. H. C. 3½-4-5		1 Oct. '36-52	101.75	102.75	4.23•	101.50
Ont. Hyd. C.	4¾	1 Jan. 1970	117.00	118.50	3.77	116.50
P. E. I.	3	1 Oct. 1945	99.50	100.50	2.94	99.50
Quebec	4	15 Mar. 1952	107.50	108.50	3.31	107.50
Quebec	4¼	1 Aug. 1958	111.00	112.00	3.47	110.75
Quebec	4½	2 Jan. 1963	112.75	113.75	3.68	112.50
Western—						
Alberta	4	15 Dec. '49-54	62.00	66.00	§	62.00
†Alberta	4	1 Dec. 1957	62.00	66.00	§	62.00
Alberta	4½	1 Oct. 1951	70.00	75.00	§	70.00
†Alberta	4½	1 Oct. 1956	64.00	67.00	§	64.00
†Alberta	5	1 Jan. 1948	64.00	68.00	§	64.00
Alberta	5	1 Sept. 1955	64.00	68.00	§	64.00
*Alberta	5	1 Oct. 1959	64.00	68.00	§	64.00
†Alberta	5½	1 Jan. 1947	64.00	68.00	§	67.00
Alberta	6	1 Mar. 1947	69.00	72.00	§	69.00
†Brit. Col.	4	1 Dec. 1957	84.00	87.00	4.99	84.00
*Brit. Col.	4½	15 Jan. 1951	88.00	92.00	5.28	88.00
†Brit. Col.	4½	1 Oct. 1953	88.00	91.00	5.29	88.00
†Brit. Col.	5	15 Jan. 1948	92.50	94.00	5.72	92.50
Brit. Col.	5	1 Sept. 1953	92.00	94.00	5.54	92.00
Brit. Col.	5½	1 Feb. 1945	95.00	98.00	5.80	94.50
Brit. Col.	6	15 Feb. 1947	98.00	99.50	6.06	98.00
Manitoba	4	2 Jan. 1950	93.00	95.00	4.47	93.00
†Manitoba	4	1 Dec. 1957	93.00	95.00	4.36	93.00
†Manitoba	4½	15 Dec. 1956	96.00	98.00	4.65	97.00
†Manitoba	5	15 June 1954	101.00	103.00	4.75	101.00
*Manitoba	5	2 Dec. 1959	104.00	107.00	4.52	104.00
Manitoba	5½	1 Oct. 1955	97.00	100.00	5.50	100.50
Manitoba	6	1 Apr. 1947	100.00	103.00	5.63	101.50
Sask.	4	15 Aug. 1953	77.00	80.00	5.84	77.00
Sask.	4	1 Nov. '55-60	75.00	78.00	5.67	77.00
*Sask.	4½	2 July 1945	88.00	92.00	5.65	88.00
†Sask.	4½	1 Oct. 1951	87.00	89.00	5.57	87.00
†Sask.	4½	15 Mar. 1960	84.00	86.00	5.56	84.00
Sask.	5	1 Aug. 1958	87.00	89.00	5.90	87.00
†Sask.	5½	15 Nov. 1946	91.00	93.00	6.42	91.00
Sask.	5½	1 Oct. 1952	89.00	91.00	6.39	[illegible]
Sask.	6	15 Mar. 1952	92.00	94.00	6.61	93.00
Municipal Bonds						
†Halifax	5	1 July 1961	113.50	115.00	4.04	113.50
Hamilton	5	1 May 1950	109.75	111.75	3.90	109.75
Montreal	5	1 Mar. 1945	101.00	102.50	4.69	101.00
Ottawa	4½	1 July 1945	111.00	113.00	2.85	111.00
†Quebec	5	1 June 1959	106.00	108.00	4.44	106.00
Saint John	5	15 Dec. 1950	108.00	109.50	4.13	108.00
†Toronto	4½	1 Jan. 1955	113.00	115.50	3.37	113.00
Winnipeg	5	1 Mar. 1944	100.00	103.00	4.53	100.00

* Payable Can., N.Y. & £. ▲ Calculated to call date giving lowest possible yield. † Payable Can. & N.Y. • Calculated to maturity although callable prior to that date. ‡ Exempt from Dominion income tax. § Traded flat. ▪ Payable in N.Y.

Mining Stock Quotations

WEEK ENDED AUGUST 10, 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close Aug. 3 (or last)	High for week	Low for week	Close Aug. 10
1	.12	.04	Afton	56,700	.07	.07½	.06½	.06½
No	.27	.07	Aldermac	87,305	.24	.24½	.24	.24
1	.04½	.01½	Alexandria	99,820	.03	.03½	.02½	.03½
No	.12½	.03½	Algoma	17,200	.08	.08	.06½	.07½
No	6.25	4.10	Anglo-Huronian	2,966	5.90	6.25	5.75	6.25
1	1.71	1.15	Argosy	16,960	1.68	1.71	1.57	1.57
1	.97	.65	Arntfield	7,150	.93	.93	.90	.92
No	.12	.02	Arno	13,500	.07	.08	.07	.07
1	.30	.06½	Ashley	30,700	.22	.22½	.17	.17
1	.06½	.02½	Astoria Rouyn	10,800	.05	.05	.04	.04
1	.11½	.05½	Bagamac	197,650	.07½	.10½	.07	.09½
1	.10	.03½	Barry Hollinger	100,700	.05½	.07½	.04½	.07
1	.40	.14	Base Metals	63,862	.29	.30	.23	.24
1	.69	.28	B.E.A.R.	34,200	.60	.65	.58	.58
No	1.84	1.20	Beattie Gold	36,805	1.50	1.51	1.43	1.43
1	.47	.30	Beaufor	22,900	.44	.45	.37	.37
1	2.00	1.60	Bidgood Kirk.	49,304	1.66	1.77	1.60	1.65
1	.76	.52	Big Missouri	24,279	.52	.56	.52	.53½
1	.36½	.13	Bobjo	478,357	.25½	.36½	.24	.31
No	8.60	5.55	Bralorne	4,415	7.70	7.75	7.65	7.75
1	.40	.13	Brazil Gold	100	.13	.15	.15	.15
1	.14½	.02	Brett Trethewey	68,600	.13	.13½	.11	.13
50c.	.25½	.09	B.R.X. Gold	3,100	.15	.15	.13½	.13½
1	.13	.08	Brownlee	19,500	.10	.10	.08	.10
1	.95	3.80	Buffalo Ankerite	7,148	8.05	8.25	7.75	7.75
No	.13	.02	Buffalo Can.	27,400	.05	.06½	.05	.06
5	37.00	29.62	Bulolo Gold	318	31.00	31.50	30.00	30.00
[illegible]								
No	3.25	2.15	Prospectors Air's.	1,800	2.25	2.30	2.20	2.30
1	1.40	.70	Quebec Gold	26,500	.77	.79	.70	.70
No	.09½	.02	Quemont	1,500	.08½	.09½	.08	.08
1	4.35	1.43	Read Authier	24,785	4.15	4.15	3.80	4.00
1	2.25	.50	Red Lake	52,250	2.23	2.22	2.00	2.05
1	1.35	1.00	Reno Gold	8,700	1.28	1.30	1.25	1.27
1	.13½	.01	Ritchie	45,800	.09½	.09½	.08	.08
1	.09	.04	Robb Montbray	2[illegible],400	.05	.05½	.04½	.05
1	.32	.03½	Roche Long Lac	158,850	.25½	.29	.22	.28
1	3.45	2.05	San Antonio	16,602	2.25	2.30	2.05	2.05
1	1.15	.75	Shawkey	67,575	.92	.99	.87	.88
50c.	.86	.56	Sheep Creek	12,150	.80	.84	.77	.84
1	1.90	1.00	Sherritt Gordon	117,787	1.50	1.68	1.38	1.56
1	4.45	2.85	Siscoe	28,210	4.30	4.35	4.10	4.30

OIL STOCKS

[illegible]

VANCOUVER STOCK EXCHANGE
(Transactions for Week to August 12)

[illegible]

Corporation Bonds

Supplied by Toronto Bond Traders' Association

August 11, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Aug. 11	Asked Aug. 11	Bid Aug. 4
*Ass. Tel. & Tel.	5½	'55	87	90	87
‡Avalon 'Phone.	5½	'48	101½	..	101
Beauharnois P.	5	'73	43	46	38
Do. L. H. & P.	5½	'73	101½	103½	99½
*Bell T'phone	5	'55	116	118	115½
*Do.	5	'57	119½	122½	119½
†B. C. Power	5	'60	105½	108½	105½
†Do.	5½	'60	106	109	106½
†B. C. T'phone.	5	'60	108½	111½	108½
*Calgary Power	5	'60	99	102	98½
*Do.	5	'64	97	100	95
†Can. Nor. Pwr.	5	'53	104½	107½	..
*Dom. Gas & El.	6½	'45	90	93	90
*Gatineau Pr.	5	'56	99	102	99
*Do., A	6	'41	96	99	96
*Do., B	6	'41	95	98	95
*Int'l. Hydro	6	'44	57	60	57
*Int'l. Pwr.	6	'57	97	100	97
*Do.	6½	'57	99	102	99
‡Do.	6	'55	100	103	100
†Maclaren-Que.	5½	'61	87	90	83½
†Do.	5½	'64	85½	88½	82½
Maritime T & T	5	'56	104½	..	104½
†Mtl. Island Pr.	5½	'57	104½	107½	103½
†Mtl. L. H. & Pr.	3½	'56	102½	105½	102
†Montl. Tram.	4½	'55	79½	82½	79½
†Do.	5	'41	102½	105½	102
†Do.	5	'55	84½	87½	84
Nfld. L. & P.	4½	'56	99½	102½	99
Nat'l. L. & P.	6	'49	98½	101½	98½
†N.S. L. & P.	5	'58	105½	108½	105½
Do.	5	'65	102	..	102
†Ottawa Light	5	'57	107½	110½	107
†Ottawa Tract.	5½	'55	101½	104½	101
†Ottawa Val. Pr.	5½	'70	83½	..	80½
†Power Corp.	4½	'59	97	100	97
*Quebec Pr.	5	'68	105½	108½	105½
Saguenay Pr.	4½	'66	103½	106½	103
†Shawinigan	4	'61	98½	101½	98½
†Do.	4½	'70	104	106½	104
†South. Can. Pr.	5	'55	105	108	105
†United Secs.	5½	'52	84½	87½	84½
†West. Pwr. Co.	5	'49	105½	..	105½
*Winnipeg Elec.	4½	'60	103	106	103
*Do.	6	'54	86	89	86
Industrial and Realty Issues:					
†Abitibi Pwr.	5	'53	56	58	54
Acadia Sugar	4½	'55	101½	104½	101½
†Alta. P. Grain	6	'46	94	98	94
Balfour Bldg.	4-6	'43	39	..	39
B. A. Oil	4	'45	103	106	103½
Can. Bread	6½	'41	109	..	109
†Can. Cement	5½	'47	105½	108½	105½
†Can. Ss. Lines	5	'43	103	..	103
†Do.	6	'41	53½	56½	55
Can. Canners	4	'51	98½	101½	98½
Can. Bakeries	6½	'45	90	..	90
*Can. Int. Paper	6	'49	92½	95½	92½
C. P. R.	3½	'51	95	98	95
Do.	4	'49	103	106	103½
Do.	4½	'44	99½	102½	99½
*Can. Vickers	6	'47	89½	92½	90
†Cons. Paper	5½	'41	50½	53½	51½
*Dom. Coal	6	'55	99	102	98
Dom. Sq. Corp.	6	'48	55	..	54
‡Dom. S. & C.	6½	'55	67	70	68
†Dom. Tar	6	'49	104½	107½	104½
Dom. Textile	4½	'55	105½	..	105½
†Donnacona P.	3-4-4½	'56	72	75	72
†East. Dairies	6	'49	82	85	82
†Fam. Players	4½	'51	97	100	97
*†Federal Grain	6	'49	95	99	97
†Fraser Cos.	6	'50	98½	101½	98
†G. Steel Wares	6	'52	104	106½	103½
Godfrey Rlty.	6	'42	40	..	40
*Gt. Lakes Pwr.	6	'50	57½	60½	55
†Gypsum, Lime	5½	'48	100½	103½	100½
†Gr. Br. & Can. Inv.	4½	'59	83½	86½	83
Ham. Cottons	5½	'48	102½	105½	102½
*Ham. B.-P. C.	5	'50	100	103	99½
*Hinde & Dauch	5½	'48	102½	105½	102½
†Int. P. & P. N.	5	'68	102	105	102
Inter. City Bak.	5½	'48	103½	106½	103½
Inter-City W. B.	6½	'50	40	45	36½
†Kingston Elev.	6	'50	91½	94½	93
†Lake St. John P. & P.	6½	'47	109½	112½	111
†Do.	6½	'42	75½	80½	78
†Lon. Can. Inv.	4½	'48	91	94	90
†Maple Leaf M.	5½	'49	58	61	57
†Massey Harris	5	'47	93	95	91
†McColl-Front.	6	'49	105½	108½	105
†Mercury Mills	5½	'53	69	72	68
†Mersey Paper	6	'49	97	100	96
*M. & O. Paper	6	'45	40½	43½	41
Nor. Ont. Bldg.	6½	'39	95	99	94½
Ontario Bldg.	6½	'43	30½	..	30½
*Prov. Paper	5½	'47	102	105	101½
Queen's Hotel	6	'47	95	99	94½
*Reliance Grain	6	'48	103	106	103
†Restigouche	6	'48	105½	108½	105
Rich. B. Bldg.	6½	'47	100	..	100
†Rolland Paper	5½	'48	104½	107½	104½
Ruddy & Co.	6½	'48	97½	100½	98
†Simpsons Ltd.	6	'49	105	108	105½
†Smith, Howard	5½	'53	105½	108½	105½
†Steel of Can.	6	'40	113	116	113
Sterling Coal	6	'40	86½	90½	86½
Stop & Shop	6	'47	52	55	48½
Twin City Rapid Tr'sit.	5½	'52	88½	91½	88½
United Amuse.	5	'56	98½	101½	98½
United Corp.	5	'53	95	98	96
Unit. Grain G.	5	'48	94	98	95
Do.	5½	'49	99	102	100
Union Gas	4½	'43-50	97½	100½	98
Zimmerknit	6	'51	98	102	98

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S.

Unlisted Mines

August 11, 1936

	Bid	Asked
Albany River	.70	.73
Algold	.45	.47
Arueen	.28	.31
Area	.04¼	.05¼
Arrow Head	.36	.38
Adanac Que.	.32	.35
Athona (Gt. B. L.)	.35	.40
Bailor	.07	.08
Bankfield Gold	.69	.72
Big Master	.57	.60
Blue Star	.28	.30
Bousquet Gold	.12	.14
Big Long Lac	.06¼	.07¼
Brae Breest	.24	.26
Black Eagle	.19	.22
Callinan Flin Flon	.14	.16
Can. Kirkland	.02¼	.03
Capital Rouyn	.29	.31
Casey Contact	.05	.06
Casey Summit	.29	.32
Coin Lake	.39	.42
Columario (new)	.03	.03½
Cons. Goldfields	.47	.50
Cuniptau	.36	.39
Cripple Creek	1.20	1.25
Darwin	.60	.65
Delwood	.23	.26
Dunlop (new)	.09	.10
Dorval Siscoe	.35	.38
Elmos	.40	.45
Empire	.31	.34
Empress Cons.	.40	.42
Franklin	.03	.04
Frontier R. Lake	.24	.25
Gateway Pat.	.20	.25
Gilmour Units	9.00	12.00
Gilbec	.06	.07
Gillies Lake	.45	.50
Gold Eagle	1.55	1.60
Goldside	.23	.25
Golden Gate	.42	.45
Gordon Lebel	.25	.28
Horseshoe	.06¼	.07¼
Hudson Patricia	.20	.22
Hutchison Lake	.13	.15
Jellicoe	.21	.23
Johnson Nipigon	.06¼	.07¼
Kaw Crow	.19	.21
King Kirkland	.04	.05
Lamaque	7.00	7.30
[illegible] Cadillac	.36	.39
Leitch Gold	.95	1.00
Lake Rose	.68	.70
Lafayette	.05	.06
Margaret	.35	.37
[illegible] Red L.	1.12	1.17
Manitoba Basin (new)	.06½	.07½
Magnet Lake	.15	.17
Martin McNeely	.50	.55
Matachewan Cons.	.19	.21
Matalac	..	.22
McAndrew	.34	.36
McCarthy Webb	.32	.35
McLellan	.28	.31
Mosher	.69	.71
Moffatt Hall (new)	.27	.30
Murmac	.11	.13
North Shores	.05½	.06½
Oklend	.32	.35
Old Diamond units	15.50	17.50
O'Leary	.26	.28
Oriole	.07½	.08½
Ormond	.30	.33
Otisse L. L.	10.00	12.00
Paulore	.33	.35
Porcupine Gold R.	.04	.05
Presdor	.36	.38
Queen Lebel	.12½	.15
Regal Kirk.	.44	.45
Ricard Ramour	.70	.72
Rice Lake	.06	.07
Richmac	.31	.33
Rubec	.15	.16
Sand River	.45	.50
Skookum	.38	.39
Smelter Gold	.08	.10
South Keora	.12½	.14
Spooner	.30	.33
Springer	.14	.16
Sturgeon R. Gold	.40	.45
Tonawanda	.12½	.14
Upper Can.	.31	.33
Wendigo	.24	.26
W. Red Lake	.34	.36
Wilport	.32	.35
Wilson R. Lake	.17	.19
Young Davidson	.18	.22
Young Shannon	.17	.20

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Aug. 11, 1936

Industrial Stocks:	Bid	Asked
Acadia Sugar, com.	4.00	4.40
Do., pfd.	4.90	....
Acme Farmers Dairy, pfd.	39.00	....
Algoma Steel, new pfd.	....	58.00
Andian National	47.00	48.00
Assoc. Tel. & Tel., pfd.	53.00	56.50
B. C. Pulp & Paper, pfd.	10.00	13.00
Burns & Co., "A"	9.00	11.00
Do., "B"	5.50	6.50
Canada & Dom. Sugar	59.00	60.00
Canada Paper, pfd.	111.00	116.00
Canada Starch, pfd.	90.50	95.00
Canada Tea, pfd.	31.00	....
Can. Tube, 1st pfd.	50.50	....
Can. Wire & Cable, pfd.	107.50	109.00
Can. Industries, "A" com.	....	220.00
Do., "B" com.	208.00	213.00
Do., pfd.	161.00	164.00
Can. Ingersoll Rand	120.00	....
Can. Westinghouse	56.00	59.00
Chase, A. W., pfd. bonus	25.00	26.00
Claude Neon, pfd.	2.75	3.25
Conduits Nat., new com.	2.40	2.90
Dom. Found. & Steel, com.	51.00	56.00
Do., pfd.	94.00	98.00
Dom. Rubber, pfd.	99.00	....
Dunlop Tire, pfd.	86.00	92.00
East. Dairies, pfd.	8.00	10.00
Edm. City Dairy, pfd.	60.00	....
Federal Grain, com.	1.50	2.30
Do., pfd.	....	52.00
Goderich Elevator	8.50	9.75
Greening Wire, pfd.	106.00	110.00
Guelph Carpet, pfd.	105.00	107.00
Do., com.	18.00	20.00
Highland Dairy, com.	3.25	3.75
Do., pfd.	80.00	....
Inter City Bak., com.	32.50	36.00
Inter. Met. Indust., "A" pfd.	48.50	52.50
McLaren Pwr. & P., com.	14.00	15.00
N. Meth. Laund., pfd. bonus	78.00	82.00
Ont. Tobacco Plant, pfd.	45.00	55.00
Provincial Paper, pfd.	104.50	106.00
Reliance Grain, pfd.	....	80.00
Rob. Consol. Cone	9.25	10.25
Ruddy, E. L., pfd.	35.00	40.00
Silverwood's Dairies, pfd.	56.00	58.50
Stand. Fuel, pfd. bonus	108.00	....
Supertest Pet., "B" pfd.	28.00	30.00
Toronto Carpet, pfd.	37.50	40.00
United Steel, "A" pfd.	7.00	8.00
Western Grain, pfd. bonus	....	15.00
Willards Chocolates, pfd.	21.00	....
Trust & Loan Stocks:		
Chartered Trust	84.00	87.00
Guelph Ont. Inv., par $50	52.00	....
London & West. Trust	54.00	59.50
Premier Trust	98.00	....
Sterling Trust	....	38.00
Traders Fin. Inc. Rts.	10.25	....
Traders Fin., "B" pfd. bonus	84.00	88.00
Trusts & Guarantee	30.50	34.00
Waterloo Trusts	98.50	....
Insurance Stocks:		
British America	48.00	....
Canada Life	525.00	535.00
Canadian Fire	....	77.00
Canadian Ins. Shares	....	13.50
Confed. Life 20% pd.	115.00	117.50
Cont. Life 20% pd.	38.00	41.00
Crown Life	160.00	....
Dominion Fire	118.00	130.00
Dominion Life 50% pd.	260.00	300.00
Dom. of Can. Gen.	121.00	130.00
Empire Life 25% pd.	8.00	9.00
Excelsior Life 30% pd.	73.00	....
Federal Fire 25% pd.	39.50	....
Fidelity Ins. of Can.	45.00	....
Great West Life	380.00	395.00
Guar. of N. A. fully pd.	266.00	....
Halifax Fire	23.00	24.50
Imperial Life	357.00	....
Manufacturers Life	255.00	265.00
Monarch Life 10% pd.	20.50	21.50
National Life 25% pd.	....	47.00
Sovereign Life 25% pd.	16.00	18.00
Sun Life	510.00	525.00
Toronto General	4.75	5.50
Western Assurance, com.	45.50	47.50
Do., pfd.	41.00	46.00
Theatre Stocks:		
Allens Beach, pfd.	62.00	65.00
Do., Kingston, pfd.	62.50	....
Do., Parkdale, pfd.	61.50	....
Do., Toronto, p. bon. com.	32.00	....
Eastern Theatres, com.	4.75	5.50
Do., pfd.	74.00	80.00
Loew's Buffalo, pfd.	3.00	4.00
Do., London, pfd.	2.50	3.25
Do., Toronto, pfd.	112.00	....
Mansfield Theatre, pfd.	29.00	31.50
Paramount Kitchener, pfd.	45.00	....
Do., Oshawa, pfd.	90.00	....
United Amusement, "A"	18.00	20.00
Do., "B"	15.50	17.00
Investment Trust Shares:		
Can. Gen. Invest.	8.25	8.55
Can. Investors Corp.	7.50	8.00
Can. Int. Inv. Trust Units	61.00	63.00
Cons. Div. Std. Sec. Units	14.00	15.50
Debenture & Sec., pfd.	65.50	....
Dom. Scott. Invest. Units	36.00	38.50
For. Power Sec., pfd.	6.00	8.00
Invest. Found. Units	53.50	57.00
Sec. Holding Units	23.25	26.00
United Corpns., "A"	22.50	24.00
Do., "B"	7.50	8.25
Power Issues:		
Calgary Power, pfd.	81.00	83.00
Can. Light & Power, com.	....	21.00
Can. West. Nat. Gas, pfd.	94.00	96.50
Do., com.	24.50	26.00
Great Lakes Pwr., pfd.	98.00	....
Inter. Util. 7.60 pfd.	84.00	90.00
Nor. Ont. Power, pfd.	102.00	103.50
Nova Scotia L. & P., pfd.	102.50	104.00
Do., com.	84.00	86.00

Winnipeg Stocks

(Transactions from Aug. 3 to Aug. 8)

	Sales	High for period	Low for period	Close Aug. 8
Cons. Goldfields	5,050	.47	.42	.47
Crescent C., p.	30	33.00	33.00	33.00
Cryderman	2,000	.08	.08	.08
Clover Gold	450	.15	.14	.14
Gold Island	1,000	.22	.22	.22
Flin Flon	12,650	.33	.29	.33
Gold Lake	8,093	.45	.40	.43
Gurney Gold	2,800	.70	.65	.66
Island Lake	4,300	.05	.04½	.05
Kingfisher	1,000	.02½	.02½	.02½
Knee Lake	9,000	.03	.02	.02½
Madsen Lake	300	1.07	1.07	1.07
North Sh. Gold	1,000	.07	.07	.07
Ore Grande	2,600	.18	.16	.17
Optic Lake	35	1.75	1.75	1.75
Pine Lake	4,400	.10	.10	.10
Packsack	3,100	.25	.23½	.25
Rice Lake	700	.08	.08	.08
Shenengo	300	.40	.40	.40
Sachigo River	10	20.00	20.00	20.00
Scattergood	1,000	.04	.04	.04
Wingold	6,600	.06½	.05½	.06
Wylie Dom.	5,200	.68	.62	.66
Wallace Lake	2,500	.03	.02½	.02½

Stocks Not Traded in During Week*

	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	135	..
Comm. Securities	..	10
Dom. Envelope, com.	1	1½
Home Invest.	20	24
Northern Trust	7	9½
Traders Bldg.	75	..
West. Steel, pf.	7	..

*Stocks more active on other exchanges not included.

Mining Dividends

	Rate	Close Aug. 10	Yield %
Anglo-Huronian	20c	6.25	..
Beattie Gold	†5c	1.43	..
Bralorne	20c+10c	7.75	..
Buff. Ankerite	20c	7.75	2.6
Bulolo Gold	‡1.40	30.00	..
Cariboo	10c	1.70	5.9
Central Patricia	†4c	4.15	..
Conjagas†	12½c	3.50	..
Cons. Smelters	50c	56.00	..
Dome Mines	$2+$2	55.75	7.2*
Falconbridge	30c	9.05	3.3
Hollinger	65c+20c	15.00	5.6*
Howey Gold	2c	.78	..
Hudson Bay	50c	26.50	..
Island Mountain	†5c	1.32	..
Int. Coal & Coke‡	1c	.21	..
Inter. Mining	60c	11.50	5.2
Int. Nickel, c.	$1.40	52.25	2.6
Kerr Lake	5c	.63	..
Kirk. Lake‡	3c	.59	..
Lake Shore	$4	57.75	6.9
Little L. Lac	20c	6.05	..
Macassa	15c	4.50	..
McIntyre	$2	42.37	4.7
McKenzie R. Lake	†3c	2.01	..
McKinley Sec.	2½c	.63	..
McWatters Gold†	5c	1.53	..
Nipissing	50c	2.70	..
Nor. Can. Mining	2c	.55	..
Noranda	‡$1.25	63.50	1.9
Pickle Crow	10c	7.10	..
Premier	12c+1c	3.55	4.3
Pioneer, B.C.	80c	8.15	9.8
Reno	12c	1.27	9.4
Stand. Silver	1c	.42½	..
San Antonio	7c	2.05	..
Sheep Creek	†2c	.84	..
Siscoe	20c	4.30	4.6
So. Amer. Gold	20c	4.60	..
Sylvanite	20c	3.40	5.9
Teck-Hughes	40c+5c	5.95	7.6
Toburn	8c	2.19	..
Ventures	†2½c	2.20	..
Wright-Har.	40c+20c	7.95	7.5*
Ymir Yankee	5c	.43	..

‡Interim. †Initial. *Yield includes bonus.

Bank Chat

Credit Notes

CREDIT after all is largely a state of mind. Bank notes are negotiable because the public has implicit confidence that they can be redeemed when necessary. Even worthless articles would be quite acceptable as money, provided people could be persuaded to accept them as such. The only difficulty is that most people are generally shrewd enough to ferret out the real value of the article in question.

A few years ago there was a story concerning a counterfeit note which was left with a hotel clerk who gave it in exchange for merchandise. The bill financed a number of transactions eventually being returned to the hotel guest. The incident was offered as an amusing sidelight on our monetary structure. The explanation of the story, of course, is that the people handling the note failed to note that it was not legitimate money.

The story has now a counterpart in real life. So long as Mr. Aberhart can convince Albertans that scrip is money it will be acceptable as such. Unfortunately for the Social Credit leader, however, a considerable number of Westerners have already recognized that scrip is scrip, and only scrip.

* * *

Prepaid Charges

A NEW method of imposing service charges has been initiated by the National City Bank in New York. Instead of the customary monthly minimum charge with a specific levy for each cheque drawn, the American bank has been able to operate successfully a plan by which charges are collected in advance.

Accounts coming under the new scheme are maintained in a separate department, which is designed to fill the gap between the bank's regular commercial and savings facilities. In order to open one of the special accounts satisfactory references are required. It is purely a personal service and all commercial cheque features not required for personal use have been eliminated.

On opening an account, the depositor purchases a cheque book containing 20 cheques, for which he pays $2. As these cheques are used up, more may be acquired at the same cost. In effect, therefore, there is a service charge of 10 cents for each withdrawal.

The bank states that the facilities of the department are designed to meet individual needs at the lowest possible cost for adequate service. This should be of interest to Canadians who have been inclined to balk at a levy only half that of the American institution.

* * *

Managed Money

STILL another move in the direction of managed currency systems is seen in the bill prolonging the charter of the Netherlands Bank. The charter under which Holland's central bank now operates expires next spring, and the legislation proposed to renew the charter contains measures which will considerably widen the scope of operations.

At the present time, the only control which the bank has over the money market is exercised through manipulation of discount rates. And, although officers of the bank feel this is quite adequate, banking authorities and the Dutch government do not regard it as sufficient. Consequently if, as expected, the bill passes Parliament, the bank will be authorized to carry on open market purchases and sales of treasury and commercial bills payable in Holland.

* * *

Coin Language

REPORTS from London are to the effect that authorities are sounding out possible public reaction to the elimination of Latin from English coins. And so, one of the last ties between the cultural and mercenary may be broken.

From the Canadian viewpoint it would appear that passing of ancient language from the monetary realm would be mourned only by those who have a special interest in the classics—a group which is lamentably small. At the present time, our coins bearing the likeness of the late king are inscribed with the words "Georgius V Dei Gra: Rex et Ind: Imp:" probably so much Greek to the average Canadian.

The Edmonton Journal takes the view that as we live in a country which will use both French and English on its paper currency, both languages will be included on the new coinage as well. In that event it is of the opinion that "between the two they ought to be ablu to say anything that a 'dead' language can."

Most of us are of the opinion, too, that money speaks a language of its own, no matter what tongue the inscription.

Weekly Bank Clearings

	Aug. 6 1936 $	Change year ago %	July 30 1936 $
Halifax	2,617,935	+13.9	2,136,501
Saint John	1,857,457	+ 7.1	1,475,051
Moncton	698,325	+11.3	577,268
Sherbrooke	646,499	+ 8.1	471,514
Quebec	5,272,894	+ 6.8	3,473,560
Montreal	100,549,945	+26.7	84,688,466
Ottawa	23,366,128	+ 6.0	12,494,151
Kingston	547,628	— 1.6	483,307
Peterborough	613,493	+15.2	532,769
Toronto	105,527,958	+18.2	99,086,992
Hamilton	4,498,510	+19.8	3,955,580
Kitchener	1,181,362	+28.9	930,365
Brantford	839,203	+ 8.5	692,315
London	2,779,190	+20.5	2,133,882
Windsor	2,320,064	+35.5	....
Sarnia	379,081	—21.6	387,124
Sudbury	869,497	+58.0	997,990
Fort William	894,870	+27.7	723,212
Winnipeg	77,618,705	—18.3	....
Brandon	352,081	+20.7	313,865
Regina	5,262,538	+11.4	2,507,413
Moose Jaw	363,207	—14.0	406,912
Saskatoon	1,679,744	+ 4.9	1,268,722
Prince Albert	376,627	+ 5.9	290,085
Medicine Hat	252,068	— 1.7	175,427
N. W'minster	681,849	+36.2	706,905
Vancouver	20,579,070	+25.4	19,085,038
Victoria	1,979,672	+18.6	1,696,439
Calgary	6,172,844	+36.5	5,095,081

Federal Gov't Shows Surplus To End of July

Net Improvement in Budget Position Totals $13.1 Millions

INCOME TAXES UP

Sharply higher revenue enabled the Dominion government to report an improvement of $13.1 millions in its budget position for the first 4 months of the current fiscal year over the corresponding period of last year. Revenue for the period showed a surplus of $3.4 millions over expenditures as compared with a deficit of $9.7 millions in the 4 months ended July 31, 1935.

Revenue for the 4 months ended July 31, 1936, was $23.1 millions higher than in the corresponding period of last year, receipts from all sources showing an increase. The chief increase, however, took place in income tax receipts which were $13.8 millions higher than a year ago. Along with the improvement in revenue expenditures jumped $10 millions so that the net improvement in the budget position was only $13.1 millions.

Special Expenditures Higher

Special expenditures at $40 millions were responsible for the major portion of the increase in expenses. Cost of relief projects and grants rose from $15.7 millions to $17.4 millions and provision for C.N.R. deficit from $16.6 millions to $22.5 millions.

While ordinary expenditures increased by $4 millions to $124.4 millions, surplus on ordinary account increased from $25.3 millions in the 4 months ended July 31, 1935, to $44.3 millions in the 4 months ended July 31, 1936.

Revenue in July followed the trend established in the earlier months of the year, receipts of every department recording improvement. Total expenditures on the other hand were $367,461 lower.

Dominion Revenue and Expenditure
4 Months Ended July 31

Revenue:	1936 $ 000's	1935 $ 000's	Change $ 000's
Customs duty	26,423	24,546	+1,877
Excise duty	15,488	14,966	+522
Excise taxes	39,434	31,716	+7,718
Income tax	72,130	58,288	+13,842
Gold tax	......	1,383	—1,383
Post office	9,401	9,101	+300
Miscel.	5,904	5,819	+85
Special	353	166	+187
Total	169,133	146,015	+23,118
Expenditure:			
Ordinary	124,432	120,494	+3,938
Special	40,092	32,533	+7,559
Capital	1,191	2,715	—1,524
Total	165,715	155,742	+9,972
Month of July			
Revenue:			
Customs duty	6,370	5,966	+404
Excise duty	4,273	4,001	+272
Excise taxes	13,027	10,013	+3,014
Income tax	6,153	3,993	+2,160
Post office	2,500	2,301	+199
Miscel.	1,714	2,036	+322
Special	231	136	+95
Total	34,268	28,446	+5,822
Expenditure:			
Ordinary	34,665	33,650	+1,015
Special	11,894	11,829	+65
Capital	741	2,189	—1,448
Total	47,300	47,668	—368

Bank of Canada Weekly Statement

Reserve ratio of the Bank of Canada declined from 64.32% to 62.28% in the week ended August 5. An increase of $2.2 millions in reserve held in the United States was considerably more than offset by greater deposits, the advance being most pronounced in Dominion government balances.

Balance Sheet

Liabilities	Aug. 5 $	July 29 $
Capital paid-up	5,000,000	5,000,000
Notes in cir.	101,208,957	99,508,358
Rest fund	173,092	173,092
Dep.: Dominion	21,012,936	16,270,829
Banks	185,543,483	186,714,827
Other	1,282,376	449,137
Total deposits	210,838,795	203,434,794
All other liabs.	3,330,347	1,970,037
Total liabs.	320,551,191	310,086,280
Assets		
Reserve: Gold	179,415,994	179,523,763
Silver bullion	1,783,301	1,775,602
Res. in sterling	323,505	157,830
Res. in U. S.	12,841,323	10,678,518
Res. elsewhere	5,356	5,244
Total reserve	194,369,479	192,140,957
Subsidiary coin	231,605	223,774
Advances	3,000,000	3,000,000
Investments:		
Dom. govt. short	31,567,666	30,586,920
Other Dom. govt.	81,251,736	81,569,904
Total invest.	112,819,402	112,156,824
Premises	213,084	210,584
All other assets	9,917,621	2,354,130
Total assets	320,551,191	310,086,278
Reserve ratio	62.28%	64.32%

Personal Loans —

American Expert Feels Advantages To Banks Likely to be Over-rated

The scope and profitability of personal loans by banks is definitely limited, according to an article appearing in "Banking" by Rolf Nugent, director of the department of remedial loans, Russell Sage Foundation.

In Mr. Nugent's view those who anticipate that the personal loan field is capable of absorbing a considerable part of the surplus funds of banks are doomed to disappointment. He points out that total loans of credit unions, installment finance companies, small loan companies and so on bulk relatively small, compared with those of the banks. And experience in the United States has been that these agencies have been able to hold their own against bank competition.

Some market is undoubtedly available where the field is not already covered, but even at that, the amount of business available would not go very far in making up the shrinkage in commercial loans over the last 6 years, is his conclusion.

Much Red Tape

"The earning capacity of a personal loan department," states Mr. Nugent, "is measured, not by gross, but by net income. While this statement is self-evident, its meaning is frequently overlooked." Allowance must be made for the change in operating expense that results from substituting a hundred or more customers whose loans must be investigated, whose periodic payments must be received and recorded, and whose frequent delinquencies require prompt notification and collection pressure, for a single customer who may be expected to repay his loan promptly on the due date. The desirability of competing with the finance company depends upon the ability of the bank to perform more efficiently the detailed clerical and accounting operations involved in these retail credit transactions.

Volume Required

"Efficient operation of a personal loan department requires an essentially expensive technique, a well-organized routine and a large volume of business," claims Mr. Nugent. "A sum invested in personal loans may require a hundred times as many clerical operations as an equal sum invested in commercial loans. The expense items for salaries, rent, printing and postage will reflect this change in the number of transactions, while the telephone bill will indicate the importance of this service to personal loan technique. The practicability of a personal loan department depends in part upon the cost of the space available for it.

"Some banks have been attracted to the personal loan field in the belief that surplus time and floor space could be used in making such loans without increasing the overhead of the bank. In some small communities, where bank credit has always been based largely on personal elements, and where intimate knowledge of one's personal affairs is the common property of the community, this experiment has worked successfully. In other communities, the attempt of regular staffs to handle personal loans has undoubtedly accounted for a large part of the discontinuance of personal loan service.

"The successful departments are those in which personal loans have been approached as a new type of service which differs essentially from customary transactions and which requires special equipment and specially trained personnel.

Initial Spurt

"Several circumstances conspire to make accurate calculations of operating expenses difficult during the first few years of existence. First, the opening of any new credit service attracts without acquisition cost an initial group of customers. But this demand soon slackens and it is necessary to advertise regularly if a satisfactory volume of new business is to be attracted and kept from competitors.

"Second, there is a gradual increase in the proportion of trouble accounts in the portfolio of a new personal loan department. Loans which are paid promptly disappear according to the repayment schedule. But a large fraction of the trouble accounts tend to carry over and accumulate.

"Third, experience generally leads to a recognition of the need for a more careful and more expensive routine. It is probably the result of these 3 factors that the second and third years seem to be the crucial ones in the life of a personal loan department.

Goodwill Overestimated

"Some personal loan enthusiasts seem to imply that greater profits and goodwill follow promptly and automatically in the wake of a personal loan department. Such optimism needs to be taken with a large grain of salt. A personal loan department increases enormously the number of people who are indebted directly or contingently to the bank. But the relationship of a debtor to his creditor is not always a happy one. If this enlargement of a bank's clientèle has great possibilities for the creation of goodwill, it has equally great potentialities for ill-will.

"A large part of the trouble file in most banks represents mistakes in approving loans. It is not enough to ascertain that the applicant and his co-makers have satisfactory incomes. It is necessary to determine, also, that the applicant's budget provides a margin out of which the loan can be paid or to point out how his budget can be adjusted to create such a margin. Too often a loan has its inception in an unbalanced budget, and the necessary adjustments must be made as the result of collection pressure."

Tactful Refunds

"One of the most important elements of personal loan technique is to refuse loans properly. Personal loan advertising frequently gives the impression that loans are made on character and the applicant feels that his character has been questioned if his application is denied.

"One thoughtful banker has called his personal loans 'income advances' in order to prevent misunderstanding of the basis upon which credit is extended.

"Proper administration of a personal loan department is a highly technical job requiring fully as much background and intelligence as the administration of any other bank function. To neglect a personal loan department or to relegate its administration to inexperienced people is to invite trouble."

Lost Money

Uncashed Cheques Are Reported By Royal Bank

Continuing the list of uncashed certified cheques, drafts, etc., the following balances with The Royal Bank remain unclaimed.

Yellow Cab Co., Ontario and Mance Sts., Montreal, issued a cheque for $10, Dec. 17, 1925. The money is at the St. Lawrence and St. Catherine Sts. branch.

Segal Bros., of Montreal, issued a cheque for $24.25 Dec. 28, 1926. It was never cashed and the money is at the St. Lawrence and St. Catherine Sts. branch.

Commercial Office Supply & Stationery Co., 380 St. Catherine St. West, issued a cheque for $13.23 Dec. 14, 1929. The money is at the St. Lawrence and St. Catherine Sts. branch.

Ernest Simard, 2,856 Esplanade, Montreal, issued 2 cheques in 1922—$70 July 17 and $10 July 26—neither of which has been cashed. The money is at the St. Lawrence and St. Zotique Sts. branch.

McAllister and Campbell, 20 Beaubien St., Montreal, issued a cheque for $19 Feb. 29, 1916. It has never been cashed and the money is at the St. Lawrence and St. Zotique Sts. branch.

St. Stephen's Bank, Toronto, issued a cheque or a money order for $13.07 on May 13, 1897. It was payable to the Royal Bank and was never cashed. The money is shown as an unclaimed balance at the Union branch, Montreal.

Parr's Bank, Nov. 5, 1897, issued a cheque or order for $486.66. The name of the payee is not given but the instrument was never cashed and the money is being held at the Union branch of the Royal Bank at Montreal.

The Municipality of Brenda, with offices located at Melita, Man., is slightly richer than it thinks it is. On Dec. 13, 1909, the municipality issued a cheque for $13.79 which was never cashed. The money is at the Union branch of the Royal Bank at Montreal and should be recoverable.

Foley, Welsh and Stewart, of Prince Rupert, B.C., issued a cheque for $40 on May 7, 1910. This money is being held at the Union branch of the Royal Bank at Montreal.

Caldwell and Curran, of Winnipeg, issued a cheque or a draft for $10.65 Jan. 9, 1911. This money is being held at the Union branch of the Royal Bank at Montreal.

The Morewood Red Cross Committee, of Morewood, Ont., drew a cheque for $21 Aug. 17, 1917. This cheque was not cashed and the money is being held at the bank at Morewood.

Brennan and Bevlin, of Ottawa, drew a cheque for $30. Aug. 24, 1912. The money is being held at the head office at Ottawa.

W. Moki & Co., of Ottawa, issued a cheque for $100 Feb. 3, 1874. This money is at the head office of the bank at Ottawa.

Mrs. F. H. Ott, of Ottawa, issued a cheque for $200 Dec. 6, 1918. The money is at the head office of the bank at Ottawa.

A person whose identity has been lost bought a draft for $207 at a branch of the Union Bank June 11, 1925. This bank was later absorbed by the Royal. The draft was payable to the **Maple Creek Municipality,** Saskatchewan. The draft was never cashed, but the municipality should easily be able to prove its claim to the money. The cheque probably was issued from Ottawa as the money is being held at the head office of the bank at Ottawa.

There is a matter of $7.87 between the **Ontario Equitable Insurance Co.** and **J. F. H. Demers,** of Montreal. It is not clear which is the payee. But the cheque was issued July 7, 1930 and never cashed and the money is at the St. Denis and St. Catherine Sts. branch.

D. Somers, 555 St. Lawrence Blvd., Montreal, issued a cheque or a money order for $50 Feb. 7, 1923. The money is at the St. Lawrence and Craig St. branch.

Foreign Exchange

The Spanish situation has had little effect on exchange rates in other parts of Europe in the past week. Quotations for pesetas have been discontinued, but fluctuations in those of other currencies, particularly the French franc, have been rather narrower than might have been expected. The Canadian dollar remained at par most of last week in terms of American funds, but eased slightly against sterling.

There has been little change in the general exchange market picture. If anything the previous trading dullness has been emphasized by the civil war in Spain. Observers are especially watchful of the effect on France, where conditions are showing little sign of improvement.

France's financial predicament is reflected in the trend of her gold reserves. In June, despite the attempts of the Blum government to attract gold from abroad and to prevent export, the reserves dropped a further $200 millions to $3,580 millions. In the past year France has lost more than $1,128 millions in gold. Since early in 1935 almost 35% of all her reserves has been consigned elsewhere.

The bulk of gold leaving France has found its way to American vaults. United States holdings at the end of June amounted to $10,608 millions, compared with only $9,116 millions the previous year. The United Kingdom, with reserves of $1,782 millions, has added just about $200 millions in the last 12 months.

The other major change in gold reserves is to be found in Italy, where expenditures in connection with the Ethiopian campaign have almost halved the total at $270 millions.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Aug. 4	Aug. 5	Aug. 6	Aug. 7	Aug. 8	Aug. 10
U. S. dollar, High	.5906	1.00	1.00 1/32	1.00	1.00	1.00	1.00
Low	.5906	1.00	1.00	99.31/32	1.00	1.00	1.00
1935, High	.5906	1.00⅛	1.00 1/32	1.00 1/32	1.00 1/16	1.00 1/16	1.00 1/16
Low	.5906	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/16	1.00 1/16	1.00 1/16
U. K. pound	4.8665	5.01⅝	5.01 13/16	5.02	5.02½	5.03	5.02½
Argentina	.4246	.2776	.2788	.2785	.2785	.2783	.2780
Australia	4.8665	4.0062	4.0071	4.0075	4.0119	4.0144	4.0119
Austria	.1407	.1890	.1890	.1890	.1890	.1890	.1890
Belgium	.1392	.1686	.1685	.1685	.1685	.1685½	.1686
Brazil	.1963	.0585	.0580	.0585	.0585	.0585	.0585
Czechoslovakia	.0296	.0414	.0413⅞	.0413½	.0413½	.0413¼	.0413½
Denmark	.2680	.2239	.2241	.2242	.2245	.2245	.2244
France	.0392	.0658⅛	.0659¼	.0659	.0658½	.0658½	.0658 1/16
Germany	.2382	.4024	.4023	.4022	.4022	.4022	.4023
Greece	.013	.0094½	.0094¼	.0094¼	.0094¼	.0094¼	.0094¼
Holland	.4020	.6793	.6793	.6792	.6788½	.6788½	.6792
Hungary	.1749	.1990	.1990	.1990	.1990	.1990	.1990
India	.3650	.3822	.3818	.3823	.3821	.3825	.3825
Japan	.4985	.2935	.2940	.2940	.2940	.2940	.2945
Jugoslavia	.1929	.0230	.0230¼	.0230½	.0230½	.0230¼	.0230¼
New Zealand	4.8665	4.0385	4.0393	4.0397	4.0443	4.0468	4.0443
Norway	.2680	.2521	.2522	.2523	.2526	.2527	.2525
Poland	.1122	.1891	.1892	.1892	.1892	.1892	.1890
South Africa	4.8656	4.9927	4.9938	4.9943	4.9999	5.0030	4.9999
Sweden	.2680	.2587	.2588½	.2589	.2592	.2594	.2592
Switzerland	.1930	.3263½	.3263	.3262	.3259¼	.3259	.3260½
Hong Kong	.5422	.3120	.3120	.3118	.3118	.3120	.3125

Scrip Failure Won't Hold Up Aberhart Plan

Premier To Go Ahead Though Certificates Idea Collapses

TOYING WITH SCRIP?

From Our Own Correspondent

EDMONTON.—The faith that induced many Albertans to vote for Mr. Aberhart and Social Credit dividends in 1935 is still required in large measure for the act of registering for dividends. Registration, which will proceed through August and September, is on a voluntary basis. If a citizen does not come forward to put his name on the list, give details of his financial position, and sign an agreement to co-operate and not ask for real money, the dividends will not seek him out.

Conditions of Registration

"We hope," said Mr. Aberhart, "to register all who desire to co-operate." But to get dividends, one must be 21 years of age, a British citizen, and a resident of Alberta since Jan. 1, 1935. This limits the scheme to about 350,000, roughly the number of persons eligible to vote last year.

Whether or not the Social Credit government has now put its promise to pay dividends on the basis of a legal claim against itself is a point of discussion in Alberta. Introduction of a personal covenant clause in the document citizens must sign on registering gives a legal flavor to the registration.

The document reads, in part: "I understand that the Alberta government covenants and agrees . . . to give monthly dividends to all registered Alberta citizens." The document does not carry the signature of any official of the government.

Promised For March 1937

The initial limits upon the use of dividends are large, for the applicant pledges himself not to demand currency. Provincial revenues are protected by the applicant's pledge not to present dividends in payment of taxes and other dues to the treasury. Discussion of dividends up to the time, March, 3, 1937, in which they have been promised, is likely to centre around the question who will accept them, if the government will not.

The extent to which Social Credit leaders think of Alberta in terms of a self-sufficient economic unit is becoming clear in the campaign to rally support to the prosperity scrip scheme. If everyone works together, according to Premier Aberhart, "we will have such a wave of prosperity in Alberta that it will surprise you." The objective is clearly to lift Alberta, singly and alone, to new heights of prosperity.

Obstacle Real One

As the attention of Mr. Aberhart and his ministers is focussed on monetary mechanisms, inter-provincial trade is coming to be recognized as an obstacle to creation of the system of Social Credit. "There is no use," said Mr. Aberhart, recently, explaining why he had not yet begun paying dividends, "in pouring purchasing power into the hands of the people when the mortgagors and bondholders can seize it out again." This is the most concise statement Mr. Aberhart has given in justification of reducing interest on the public debt.

Alberta Social Credit thinking couples with the outflow of interest what it considers the twin evil of payments on imported goods. "The day is not far distant," said Mr. Aberhart, "when our food and other supplies will have to come from closer home."

Products mentioned in Social Credit speeches proposing the industrialization of Alberta include candy, biscuits, woollen goods, leather goods, salt and canned goods. Nowhere in the speeches of Mr. Aberhart and his ministers is recognition given to benefits that must be surrendered if and when business dealings with the outside are restricted.

Underneath the talk of self-sufficiency is a belated recognition of the difficulties of economic revolution on a provincial scale. That Alberta could not go it alone was one of the original contentions of critics of Social Credit. Mr. Aberhart is finding the reality of that difficulty now.

In broad outline, one theory the Social Credit government is striving to put to the test is that a new, povertyless era may be called into being in Alberta behind the walls of financial and commercial isolation. The idea that this new era can be built upon profits "saved" by cutting off interest and other payments to the outside, crops up at every turn. It is advocated frankly by such Social Credit leaders as P. J. Rowe, M.P. for Athabaska. "Alberta pays $56 millions a year in interest," says Mr. Rowe, "and this money should be used for building modern factories to process Alberta's raw products."

Drought in southern Alberta left a pressing problem on the doorstep of the Social Credit government just when Mr. Aberhart was renewing, with revived confidence, his pledge to pay $25 a month dividends.

Drought Affords Excuses

The drought did 2 things to the pledge, it forced Mr. Aberhart to tell his audiences the amount of the dividend might be reduced, and that an extension of time before issuing them might be required. The obvious fact that crop damage had sharpened the need for dividends and other promised benefits did not escape notice.

"We are convinced," said Mr. Aberhart, "the people of Alberta must use their own credit." Since this recognition of a first-class opportunity to assist drought-sufferers by means of Social Credit, the emphasis in discussing the problem has shifted to securing federal assistance. Demands have been heard from Social Credit groups in the affected area for the government to put its prosperity certificate scheme to use in extending needed assistance.

The main controversy in Alberta raised by the certificates, other than whether they will succeed or fail, is whether they represent "a loan to the public," as Mr. Aberhart insists. In the words of the Alberta premier, the objective of Social Credit is "the use of our own credit for the exchange of goods and services." Prosperity certificates, he says, are a "demonstration" of this use.

Just Toying With Scrip

Actually there is little evidence that Mr. Aberhart is doing more than toying with the stamp scrip idea, having seized on it last May when all pathways to Social Credit appeared closed. According to sources close to the government, the "demonstration" that is intended in issuing stamp scrip is not the "use of credit," but a test whether or not an experiment with currency will bring down on the heads of Alberta's government the interference of federal legal authorities for violation of currency laws.

If the department of justice closed down on the scrip experiment, the fate of a Social Credit experiment would be known. There has been no sign of any such interference.

The Aberhart government has been careful in describing the scrip as distinct from Social Credit, and there is a feeling that it can convince its followers that failure of scrip cannot be construed as failure of Social Credit.

There will be no stopping because of a disappointment with prosperity certificates, and argument whether or not they represent a form of Social Credit will be ignored. In the same way, at present the Social Credit leaders are ignoring the argument that certificates are nothing more than a taxing device whereby the public pays for road relief, by sticking stamps to the scrip each Wednesday.

Staff Changes

The Royal Bank has announced the following staff changes:

R. GLAHOME, formerly accountant at Lima, to be assistant manager at Bogota, Colombia.

E. O. LACROIX, to be accountant at Three Rivers, Que.

E. A. LOUGH, formerly accountant at Bogota, to be manager at Cartagena, Colombia.

H. C. SEAMAN, of New Westminster, has retired on pension.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

ARGENTINA—A slight contraction has occurred in the recent optimistic picture although certain factors have given encouragement to agriculturists.

BRAZIL — Advent of cooler weather has stimulated business centres, and relieved overstocked condition of dealers.

VENEZUELA—Prospects for new coffee crop remains encouraging, and better cacao prices are stimulating activity of growers.

CUBA — Midsummer slackness features trade, but level is above that of last year.

COSTA RICA — Foreign exchange uncertainties and restricted buying power kept trade at a low level in July.

PANAMA — A better summer tourist trade than last year is creating a more rapid turnover in many retail lines.

DOMINICAN REPUBLIC — Wholesale and retail trades were spotty during July, adversely influenced by between-crop dullness.

JAMAICA—Large outgoing banana movement provides an improved outlook for remainder of year.

TRINIDAD—With completion of sugar crop and approach of dull season, business activity is tapering off.

GRENADA—Increased prices for some export products have improved the outlook.

BRITISH GUIANA—With business slack and little money in circulation the immediate economic perspective appears unpromising.

MEXICO CITY—Industrial activity area was paralyzed, July 16-25, by strikes in light and power companies.

Three New Appointments To Definition Committee

Three new appointments to the standing committee on definitions and underwriting powers of the Association of Superintendents of Insurance have recently been announced. H. W. Falconer, of the Dominion of Canada General, replaces G. Weir, retired; W. P. Fess, Canadian General, replaces P. H. Horst, retired; and A. Powis, Chubb & Son, replaces the late D. H. Macauley.

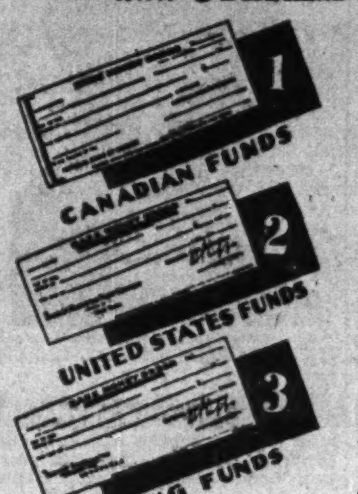
J. H. King, acting secretary of the committee since its organization, has been appointed secretary.

MADE SUPERINTENDENT

Nelson Chevrier has been appointed superintendent of the Halifax Fire Insurance Co., succeeding B. D. Rogers, retired.

Extra satisfaction—
"EXPORT" CIGARETTES
—at no extra cost.

MONEY ORDERS
in CANADIAN, UNITED STATES and STERLING FUNDS



● Money Orders drawn in Canadian Funds are payable at par at all banks in Canada (excepting the Yukon District.)

● Money Orders drawn on New York are cashed in United States funds or the equivalent at current rates of exchange in all countries.

● Money Orders in Sterling are drawn on London and may be cashed in all countries at current rates of exchange.

Your remittance is safe when you use Imperial Bank of Canada Money Orders.

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Beaupré, Que. | Sault Ste. Marie, Ont.
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Pine Falls, Man. | Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp | News Sulphite Pulp
High Grade Bleached Sulphite Pulp

IT COSTS YOU NOTHING to be *COURTEOUS* to other motorists

I ASK YOU to please remember, as you hurry along the highways bound for some distant point, that it costs you nothing to be courteous to other drivers and it saves you money.

● It costs you nothing to sound your horn on the highway as you are about to overtake a fellow motorist and it may prevent an accident and thereby save you money.

● It costs you nothing to give the other fellow a wide berth when you meet him and it may prevent a side-swipe and thereby save you money.

● It costs you nothing to hand-signal your intention to slow down, turn or stop and it may prevent a collision and thereby save you money.

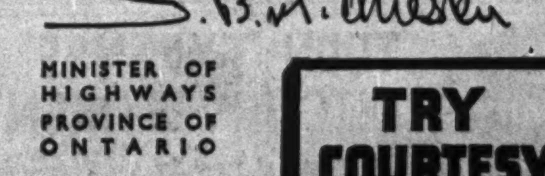
● It costs you nothing to "nip" along at the speed of the traffic you are in and it prevents other motorists from having to "cut-in" in order to get "there" and thereby removes one of the greatest causes of costly accidents.

● It costs you nothing to be courteous and considerate of your companions of the road and it will prevent accidents and thereby save dollars and cents for everybody and prevent broken bones and broken hearts as well.

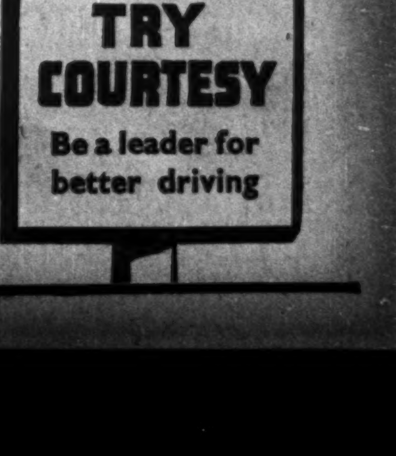
So I appeal to you from the standpoint of sheer economy to be courteous to other motorists on all occasions.

Practise and preach the golden rule of the road—"Show to others the same courtesy that you would like to have shown to you".

Sincerely yours,



MINISTER OF HIGHWAYS PROVINCE OF ONTARIO



Public Firms Pay Tribute To Insurance

Fifty Corporations Show Life Insurance as Balance Sheet Asset

HAS MANY USES

Some 50 Canadian corporations in which there is public investment interest show the cash surrender value of life insurance policies as assets in their financial statements as reported in the current issue of The Financial Post Survey of Corporate Securities.

These companies include almost every type of industrial concern and embrace companies with total assets running into nearly $300 millions. The cash surrender of life insurance policies as shown in these various balance sheets amounts to over $1.8 millions.

The list does not include those concerns where business life insurance has been acquired within the last 3 years and where the cash value stage has not yet been reached. Nor does it include those who use the term insurance for this purpose.

Private and Public Companies

While the close corporation or "private company" is the type having the greater need for business life insurance both as a shock absorber and for financing the purchase of a deceased stockholder's interest, there have been many striking examples where business insurance has played an important part in respect of a publicly-owned corporation.

Notable is the case history of the old City Dairy Co. of Toronto whose shareholders in the 1920's included a large percentage of the "beneficiary" type who depended on the stock for dividends. The late W. J. Northgrave was at that time the driving force in the business and his life was insured about 10 years ago for $350,000 with dividend protection as the fundamental thought in the minds of the directors.

Mr. Northgrave passed the medical examination for this insurance but died from a heart attack within 3 years. The amount received by the company proved a valuable and timely asset to the company and a source of strength to shareholders at a time when the company's shares might otherwise have been materially affected.

Another striking example was that of T. P. Loblaw, founder and head of the Loblaw Groceteria chain. When Mr. Loblaw died the company received $270,000 as the proceeds of a life insurance policy in favor of the company.

A tabulation of the firms listed in The Financial Post Survey of Corporate Securities, 1936, in which there is public investment interest and which show life insurance cash surrender values in their balance sheets, follows:

Name of firm:	Cash surrender value of life ins. $	Total assets $
Ontario Silknit	11,723	2,371,822
Bruck Silk Mills	39,490	1,876,456
Guelph Carpet	20,950	2,052,459
National Steel Car	131,000	6,790,751
Hamilton Bridge	6,500	4,423,717
Frost Steel & Wire	40,906	2,047,956
Enamel & Heating	9,034	1,325,648
Beatty Bros.	288,033	7,753,608
Standard Steel Cons.	17,439	847,718
A. J. Freiman Ltd.	49,424	3,510,441
Loblaw Groc.	12,845	6,741,159
Hunt's Ltd.	10,000	694,509
Robins, Jones & Whitman	20,750	1,339,504
Wentworth Radio & Auto.	1,230	469,099
J. S. Mitchell & Co.	46,747	1,217,947
Gordon Belyea Ltd.	4,107	711,430
Supertest Petroleum.	13,315	4,949,347
H. Walker-Gooderham	268,365	48,323,541
Assoc. Brew. of Can.	105,822	5,206,258
Canada Packers	209,445	28,720,302
McCormick's Ltd.	2,689	2,917,988
Eastern Dairies	17,445	11,032,505
Silverwood Dairies	12,961	5,035,125
Dom. Tar & Chem.	58,912	12,443,854
International Paints.	2,966	1,302,689
Hinde & Dauch Paper	34,750	4,200,226
Westminster Paper	17,520	973,801
Biltmore Hat	3,660	596,311
Langley's Ltd.	42,956	1,423,538
Tip Top Tailors	81,798	3,286,029
New Method Laund.	29,085	901,984
Goderich Elev. & Tr.	19,896	1,216,143
Union Gas	10,675	23,999,576
Canada Tea Co.	4,388	744,874
Waterloo Mg.	94	2,623,013
Photo Engravers	16,506	911,363
Dufferin Paving	15,258	3,665,647
Texas-Can. Oil	2,490	2,820,424
Gypsum, Lime & Al.	36,094	6,498,659
Regent Knitting	323	2,296,953
Thrift Stores	5,439	784,490
Johnston National Storage	5,800	524,573
Dominion Stores	6,368	4,619,785
Standard Paving	20,093	3,553,633
Maple Leaf Gardens.	13,988	1,747,912
Zimmerknit Co.	28,289	1,778,280
N. Bawlf Grain Co.	17,341	5,054,570
Howard Smith Paper	24,629	25,201,531
Total	1,839,540	263,529,148

RETIRING

Frank W. White, assistant secretary of Canada Life, who has retired after 37 years service with the company. Mr. White has for some years been active in the company's conservation work and in 1931 was largely instrumental in organizing the Life Insurance Conservation Association of Canada of which he was president during its first 2 years.

Insurance vs. Gambling

Budget Insurance Debate — Lloyd's Committee to Determine Legitimate Insurance Interest in Contingency Risks

A closed season on certain lines of insurance written by Lloyd's, of London, extending from the end of the British fiscal year until the budget statement has been made, is the probable outcome of the budget scandal which recently resulted in retirement of a cabinet member of the British government.

This announcement was made in the House of Commons by the Chancellor of the Exchequer, who stated the House might take it that the above suggestion would be carried out by the underwriters, who expressed willingness to comply as far as possible.

A further development will be establishment by Lloyd's of a permanent subcommittee from which underwriting agents may at short notice obtain a ruling in cases where they have doubt whether or not there is an insurable interest in the risk offered to them. The debate in the House evoked considerable comment on operations of Lloyd's, with particular emphasis on contingency risks where the dividing line between insurable risk and gambling is difficult to determine.

Cover For Gambling, Says M. P.

According to Mr. Attlee, leader of the Opposition, the report on the budget scandal revealed that a great institution, Lloyd's, which has its legitimate business in insurance, is also a cover for gambling. It is called insurance, but if there is no insurable interest it is as much a gamble as any of those that come under the ban of the law.

"I understand that the Committee of Lloyd's have requested all underwriters not to accept contingency risks without satisfying themselves that the assured have a legitimate interest," Mr. Attlee is quoted in a report of the debate appearing in Eastern Underwriter, "and they are requiring the name of the assured to appear on the slip. That is good as far as it goes, but it does not go far enough.

"I think that all so-called honor policies should be made illegal and also that all insurances based on the effect of possible government action should be declared illegal as being a standing invitation to a breach of the Official Secrets Act.

"A further matter that arises from this report calls for legislation, and that is the system of bank nominees which goes far to nullify the provisions of the Companies Acts, and we urge that it is high time that there should be a clean-up in the City of London.

"I am quite aware of the difficulty of deciding where legitimate business ends and gambling begins, but it is idle to deny that there is a widespread feeling that enquiry is needed not only into Lloyd's but into the stock exchange and the produce exchanges, those quasi-public institutions with their legitimate functions, upon which has been built up a superstructure of mere gambling."

Colonel Allen's Statement

Lieut.-Col. J. Sandeman Allen said, as one of, he thought, only 2 members of Lloyd's in the House who had done active work for many years with that institution, he would like to make some observations on the working of Lloyd's and of the facts they had to study in connection with the definite accusation that on their work there had been built a superstructure of gambling. He would like to remove that impression entirely. Had it not been for the way that Lloyd's worked, the enquiry could not have come about so quickly, and the disclosures could not have taken place.

There were various methods of business which could be used for gambling, he said. People gambled on almost anything, but the Committee of Lloyd's were determined that, so far as they were concerned, they were going to stamp out any gambling on legitimate methods of business.

Insurance against budget legislation and risks of all sorts was perfectly legitimate business in a great many cases. The government might consider closing the markets to such risks a short period before the budget came on, say a week before, thereby cutting down the time during which temptation might be held out to people. That was a matter for consideration later on.

Legitimate Risks

An increase of import duty was a consideration against which many merchants would find it necessary to insure, he continued. The outbreak of war between two named nations would upset trade enormously. That was a legitimate risk for the purpose of insurance. Then there was the postponing of public functions, court mourning, and matters of that kind, which made a tremendous difference. There was the non-arrival of goods or vessels on a named date, which was known as a time-penalty risk. That again was a risk which was an insurable interest. There was the non-arrival of documents on a given date. All these were legitimate subjects for insurance protection. Insurance against increase of taxation and matters of that kind were negligible.

Steamer Analogy

It was because a large amount of insurance was being taken out that suspicions were aroused, he felt. Anyone who wanted to place £5,000 on budget insurance risk was a fool if he thought he could get that business done quickly. He could go along with £750,000 of insurance on a steamer; indeed, he could have 6 slips for £750,000 each in his hands at Lloyd's and everybody would say it was perfectly right and no suspicion would be aroused. But if anyone went and asked for £5,000 of budget insurance, everybody would say: "What is this about?"

He had worked for 10 years at Lloyd's and during the whole of that time he had only twice any statement of insurance risk to show against taxation, and they did not amount to £500. The Committee of Lloyd's required the name of the assured to appear on the slip. That was a very proper precaution; it was perfectly obvious that the name of the assured might in certain eventualities make a tremendous difference as to the underwriter's assessment and the rate he ought to receive upon the risk.

Unusual Risks

If they were going to do away with these policies, they were going to destroy a great many perfectly legitimate risks. Take the position of drapery firms in the event of court mourning arising. They had laid in stocks of modern fashions and they found that fashions, colors, and designs had altered and the work and money that they had put into their stocks were lost and wasted. They had an insurable risk against things like that.

"Dog Eats Dog"

T. Johnston said in the relentless financial war which went on in the City, "dog eats dog," and they were not very much concerned whether brokers got the better of underwriters or underwriters got the better of brokers. What they were concerned about was the gambling system, the something-for-nothing system which had grown up, not only in Lloyd's and the stock exchange and the produce markets, but in the banking system and all over the money market. In full swing at Lloyd's was found a great system of gambling on what were called honor policies, unstamped, unenforceable at law, with no personal interest of the assurer.

Since the report of the tribunal, the Committee of Lloyd's had bustled forward to say that there would be no more of this gambling in contingencies; that they were taking steps to enforce a rule to prevent it in the future. They had those promises before. An Act was passed in 1909 to prevent this issue of gambling policies, but it dealt only with marine insurance; every other form of speculation and gambling was still permissible at Lloyd's.

Tribute to Lloyd's

He was told that for 40 years there had been no failure at Lloyd's to implement a promise. They were not accusing Lloyd's or any member of Lloyd's of defaulting; they were prepared to pay a tribute to Lloyd's that they seemed to act on a higher standard or code of honor than did their compeers in the United States, but at Lloyd's an individual assurer might accept more than he was able to fulfill. They certainly had been engaged in speculating upon contingencies in which they had no insurable interest one way or the other, and as far as Lloyd's were concerned the case was proved that an enquiry ought to be held.

If it were only Lloyd's it would be a small matter. For the last 6 years or so, the banks had been busily engaged in erecting a system of what they called banking nominees. Large blocks of shares in companies were held by these nominees of banks, and it was virtually impossible, in the case of many public companies, to discover who were the beneficial owners of the shares. References were made during the recent enquiry to the fact that the local manager of the Bank of Athens was busily engaged in arranging that speculators who had taken out policies on budget risks should not have their names and addresses disclosed, but that the policies should be held by nominees of the bank.

Should Not Be Blamed

Sir Alan Anderson said they all knew it was possible to gamble on the stock exchange. Gambling was one of the inherent troubles of humanity and they could not get out of it; what they must do was to support the committee of the stock exchange and see that they did their job well and truly. The 2 men concerned in that debate made a cardinal error when they went to Lloyd's. They thought it would be easier there because Lloyd's was a very open place; they could go to a broker and make a direct speculation on a direct risk, which they did. That was their undoing, for Lloyd's protected itself. First, the amount was too large. The speculative cover at Lloyd's was so small that even a comparatively few thousand pounds was enough to attract attention and start an enquiry. Instead of attaching blame to Lloyd's they should appreciate that they owed Lloyd's the cleaning-up of the transaction into which the tribunal had enquired.

Upholds Honor Policies

Hon. R. D. Denman said he agreed that there was a widely-felt sentiment that in commercial and social life there was a degree of gambling that was inimical to social welfare, but to attack Lloyd's was "barking up the wrong tree." When the report and evidence were examined, Lloyd's came extremely well out of it.

To make honor policies illegal was no solution of the difficulty. Honor policies were an extremely useful fragment of their commercial machinery. He used to underwrite that kind of business more than 30 years ago. It was not a kind of risk that was popular in the Room, but they took it because they felt a certain obligation to the public.

He had always taken the view, as an underwriting member of Lloyd's, that it was their business to relieve the commercial community of any extraordinary risks that they could not meet themselves. There were occasions when it was impracticable to measure the precise volume of the loss in the event of the contingency occurring, and it was understood between the underwriter and the insurer that in the event of the risk occurring the policy should be paid at an amount previously decided. That was the whole basis of the honor policy.

The enquiry had shown that underwriters might be approached to accept risks where there was no bona fide interest, but the Committee of Lloyd's had taken steps to prevent that. The practice of Lloyd's under the new conditions imposed by the committee and the common sense of underwriters would effectively achieve that where there was no legitimate interest insurance should not take place.

NEW DEAL

Mervyn J. Smith has been officially named by Ottawa as the chief agent in Canada for Equitable Life Insurance Co. of Canada which began business officially August 1.

The company is the new corporate entity which has taken over the old provincially-licensed Ontario Equitable Life and Accident Insurance Co. which now disappears.

The new company starts life with a greatly simplified capital structure and permission to write participating as well as non-par business.

Great-West Life Has July Increase

Great-West Life Assurance Co. reports 80% of its agencies showed increases in new placed business for July. During the month representatives placed 47% more business than in July 1935.

Throughout the year the company has reported consistent gains and new business for the first 7 months of 1936 is 19% higher than the first 7 months' business of 1935.

At the end of June the company reported a substantial increase of business in force with a further gain reported in July.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Policy Loan Rates

I have received from a large Canadian company, in which I hold some life insurance, an official notice announcing an important change in its practice of collecting interest on policy loans.

The change apparently involves a reduction in the rate on automatic premium loans to 6% and abandonment of the previous plan of collecting interest on loans in advance.

I understood some such change as this was made a year ago at the time of the investigation before Parliament and was wondering if this was a further change since that time.

Apparently the notice you received from your insurance company is simply reporting to you in respect of your policy loan the change in practice and rates which went into effect as of Jan. 1, 1936. This was the change agreed upon mutually by all life companies operating in Canada following the investigation at Ottawa the previous summer.

This change involved a reduction in interest rate to 6% and the stipulation that this 6% should not be charged in advance but should be left until the end of the annual period for which the loan is outstanding.

The reason this notice has only just reached you is that apparently your policy loan is renewable annually at this date and it is the practice of the company only to send notification as loans come up for renewal during 1936.

All Canadian companies have acted in unison in this matter and although you have only just received your notice you will probably find that the savings in interest rate have not only been made retroactive to the date on which it officially came into force (January 1, 1936)—but that it has been made retroactive to 1935, so that the lower rate will apply for the entire past 12 months of your loan.

Canadian imports of pipe, tubes and fittings in June were valued at $141,680 compared with $103,370 a year ago.

Sue Quebec For Taxation On Smelters

Toronto General Trusts and Austin Estate Obtain Fiat

SHARES TAXED TWICE

An interesting test of succession duty law develops from a suit against the province of Quebec entered on behalf of the Toronto General Trusts Corp. and the estate of Albert William Austin, Toronto. Mr. Austin, formerly president of The Dominion Bank, died in July, 1934.

The province of Quebec has issued a fiat permitting suit for $11,343 paid by the Toronto General Trusts Corp. on behalf of the estate as succession duties in Quebec.

Smelters Shares

The suit involves 687 common shares of Consolidated Mining & Smelting Co. as well as dividends on 3,210 shares, the total amounting to some $210,000.

Shares of Consolidated Mining & Smelting Co. are transferable in both Toronto and Montreal. However, the company is required to obtain a waiver from the province of Quebec for succession duty on shares of the company.

In the case of the Austin estate, it is understood the province waived succession duty on Consolidated Smelters shares registered at Toronto. However, for the 687 common shares on record in the Montreal register, the province of Quebec claimed succession duties. The duties were paid for the estate by the Toronto General Trusts Corp. under protest.

Important to Others

Settlement of the case will have an important bearing on other companies, whose shares are registered in either Toronto or Montreal, but transferable at both places.

The important question from the point of view of the Austin estate is whether having paid succession duty in Ontario, it is also liable to pay succession duty on the same assets in the province of Quebec.

The assets involved, the shares of Consolidated Mining & Smelting Co., were held at Toronto, where Mr. Austin resided. The only question about payment of Quebec succession duties on the shares arose from the fact that part of the holdings were recorded on the Montreal register of the company. The shares are identical in all respects, except for registration of a portion of the holdings in Montreal.

British Insurers Assets Record Material Advance

Assets of British insurance companies gained £95 millions in 1935, the "Statist" estimates. The total at the year-end is placed at £1,560 millions, compared with £1,465 millions in 1934. Allocation of these assets in the major classifications is as follows: Investment in debentures, stocks and shares, £496,157,000; British government and municipal securities, £424,140,000; colonial and foreign government and municipal securities, £199,590,000; mortgages, £140,169,000; loans, £118,235,000; land and ground rents, £82,129,000.

Insurance Inklings

H. J. L. MOSHER, of Bridgewater, N.S. has been promoted to assistant manager of the Halifax district of the Metropolitan Life.

R. LEIGHTON FOSTER, general counsel of Canadian Life Insurance Officers Association will address the legal section of the American Life Convention in Texas, October 13. His subject will be: "The Canadian Law Respecting Beneficiaries."

CLARENCE E. HIRD has been appointed assistant manager of the I. B. Croll agency of Monarch Life in Winnipeg.

Urge $600 Pension For N. S. Coal Miners

A pension scheme, whereby all coal miners in Nova Scotia on reaching the age of 60 years would retire on a pension of $50 per month, contributed by the provincial government 40%, the Dominion Coal Co. 40% and the men 20% is now being discussed at the various locals of the U. M. W. throughout Nova Scotia.

The plan will be presented to the annual meeting of the U. M. W. to be held in Truro, N.S., in October. It is sponsored by Springhill, N.S., coal miners.

Disobedient? *or—Hard of Hearing?*

"Didn't you hear me, son? I asked you to put away your toys."

A CHILD who seems to be disobedient, inattentive or dull may really be unable to hear well. He often assumes a position that favors his hearing. Any habitually unnatural position of his head may indicate impaired hearing.

Parents should watch their boys and girls and observe their response to sounds. Examination of the ears and hearing should always be a part of a child's general health check up — particularly during the preschool age.

Many children who have hearing defects may be spared lifelong deafness and retarded mental development if ear troubles are promptly detected and receive expert medical care.

Middle-ear abscesses and infections are a frequent cause of deafness. They may result from infections in the nose and throat such as follow common colds, scarlet fever, measles, diphtheria, and influenza. Enlarged adenoids and diseased tonsils are also a danger to hearing.

Ears should be examined after recovery from an attack of any infectious disease.

Schools equipped with an acceptable type of the phonograph audiometer possess an aid of great value in the early discovery of deafness in children.

There are scientifically constructed instruments that assist hearing; but before selecting one of them, a deaf person should consult an ear specialist. Some people are sensitive and hesitate to use these aids to hearing. No one should feel more sensitive about using a hearing aid than about wearing eyeglasses.

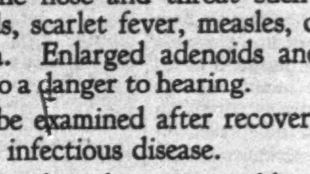
The Metropolitan will gladly mail, free, a copy of its booklet "Hearing." Address Booklet Department 8-F-36

Keep Healthy—Be Examined Regularly

METROPOLITAN LIFE INSURANCE COMPANY

CANADIAN HEAD OFFICE—OTTAWA

FREDERICK H. ECKER, *Chairman of the Board* — LEROY A. LINCOLN, *President*



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J. H. RIDDEL, Manager — V. G. CREBER, Asst. Manager — S. FAIRLEY, Secretary

TORONTO AGENTS: Armour, Bell, Boswell & Cronyn Limited, 24 King Street West, Toronto

Political Revolt in Quebec — An Active Movement for Secession in the Maritimes— A Disturbing Swing from Confederation in British Columbia—

Continuing the series which began with "Revolt in Quebec," Maclean's will present in coming issues, articles which deal with significant developments in the Maritimes, in British Columbia, and in the Prairie Provinces.

Maclean's Brings the Whole Dominion Into Clear, Sharp Focus!

It's right, and it's natural, that most of us should be taken up with the things that are close at hand — our jobs, our families, the affairs of the community and the Province.

A sectional viewpoint is understandable — but it can be very dangerous!

Maclean's is interpreting the special problems, the new political and economic trends, of each section of Canada — but from a viewpoint that is always national, that has no sectional axe to grind.

That is why Maclean's has become an invaluable aid to clear thinking on Canadian affairs.

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Week in Wheat

Winnipeg Is Following Liverpool's Leadership

U. K. Buyers Less Anxious Over Immediate Requirements — Cash Wheat Market Easier With Assurance of Supplies Immediately Ahead

From Our Own Correspondent

WINNIPEG.—Early harvesting in Western Canada is bringing wheat to the Winnipeg market in greater volume than was anticipated, but to attribute hedging pressure to that fact, as occasional observers have done, is to ignore Winnipeg's dependence on Liverpool and Chicago.

This market has followed, not led, the declines on those markets.

In the United States there is some vacillation on all grain prices due to the country's absorption in the fate of the corn crop and the fear that perhaps corn prices have been pushed too high. Liverpool is over its anxiety as to immediate requirements for wheat because of substantial purchases from Hungary and other Danubian countries, and because the continent has not pressed import buying. Consequently the premium for nearby wheat has been declining along with the recession in general price level.

New deliveries in the West are, however, responsible for a decline of cash wheat premiums over the futures. Tightness which prevailed for a time in the cash wheat market has been relieved with the assurance of available supplies immediately ahead. Even premiums for durums declined in spite of knowledge that wheat of that type is going to be far below this continent's normal needs.

Scarcity of coarse grains is reflected by the sustained prices for oats and barley and the fact that premiums for malting barley continue to advance.

Rust in Manitoba

A SURPRISING amount of rust damage has been found in some of the wheat fields of Manitoba, although the total area affected is not great. A great deal more damage might have resulted had the rust been given more time to develop. It was checked by rapid ripening of the crop.

A number of farmers experimented this year with Thatcher wheat, a rust resistant wheat developed in the U.S. This is largely displacing Marquis wheat in Minnesota and the Dakotas. In places the experiment worked well, and crops of Thatcher stood up without damage alongside fields where rust damage was fairly extensive.

On the other hand some fields of Thatcher wheat suffered severely from rust. This may mean either a weakness in a particular strain of seed, unimportant in itself, or it may mean that new varieties of rust are developing.

Canadian varieties of rust resistant wheat are regarded as superior to Thatcher, but it will be another 2 years before the former can be grown in large quantities, and 3 years before all farmers can make full use of them.

* * *

Argentine Pushes Sales

ACCORDING to reports from Liverpol, Argentine wheat for January shipment is now being offered at prices which under-cut current prices for Canadian No. 2 Northern by several cents a bushel.

It is not usual for hedging sales of Argentine wheat to be made this early in the season, and it is assumed the total volume of offerings is not large. The market significance of the development is more in the apparent expectation of a good crop in the Argentine, which is likely to be sold freely, than in the extent of current transactions.

* * *

Ireland Takes U. S. Wheat

ONE of the little known weakening factors in the world wheat market is the offering abroad of considerable quantities of soft, white wheat from the north Pacific coast of the U.S. Offerings are made principally in the Irish Free State, regarded as the best outlet for such wheat. The market there does not put wheat from outside the Empire at the same disadvantage as in the United Kingdom, while the competition from native grown soft wheats, which must be met on the continent, is avoided.

The north Pacific coast crop is estimated to be 75 million, about 15 to 20 million bushels more than normal requirements of the country for that type of wheat, which goes mainly into the biscuit and pastry flour trade of the country.

Formerly a good deal of wheat from this region found a market in the Orient, but the general price situation in the U.S. has put such trade out of the question for several years.

Prices on the Pacific coast follow laws of their own, and tendencies are frequently contrary to those on the Chicago market.

Crop Price Influences Are In Formative Stage

From Our Own Correspondent

WINNIPEG.—One set of forces acting on the wheat market exhausted themselves with last week's setback in prices. The future course depends on forces only now in the making.

A principal factor in the steady rise which had previously taken place was anticipation of small crops in North America. That anticipation has now been fully realized. The worst is known.

On the supply side no more bad news can develop for 2 months, when the Argentine and Australian crops enter a critical stage. Prices can rise further because wheat supplies are somewhat limited, but that is a different, and probably slower process than a rise based on the expectation that supplies are to be short.

More European Imports

Wheat prices began to strengthen before it was known that North American crops were likely to be short. That was largely due to disappearance of a burdensome surplus in the closing months of the past crop year.

With the harvesting of a new crop in the northern hemisphere, current stocks are once more replenished, but a period is to be expected when stocks will be but little more than actual needs. It too lies months ahead. European countries are expected to require larger imports than last year, but that also lies in the future, after inroads have been made on domestic supplies.

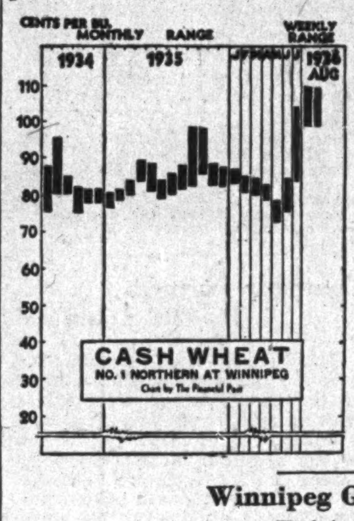
No Wheat From Russia

Russia, it is believed, will have no wheat to spare this year, but that fact has already been discounted by the market. Its immediate effect is offset by the fact that British millers are obtaining considerable supplies from Danubian countries. That may leave the regular European customers of these countries short later in the crop year, which in turn may be offset by takings from Argentina when a new crop from that country is available.

Carryovers Supply Needs

The period during which prices may be affected by the fact that wheat supplies are shorter than those available last year is only now beginning. It is from carryovers in various countries that current supplies of flour are being mainly manufactured. New crop Canadian wheat is hardly due on the market, and only the circumstance of an early harvest is making new wheat available.

Wheat Prices



(Cash Quotations)

	For Week Aug. 11 High	For Week Aug. 11 Low	Prev. Week High	Prev. Week Low
At Winnipeg:	$	$	$	$
1 Man. Hard ...	1.10¾	1.00¾	1.10½	.99⅛
1 Northern	1.10¼	.99¾	1.10	.98⅛
2 Northern	1.08½	.97¼	1.08¼	.97⅝
3 Northern	1.04½	.94¾	1.04¾	.94⅝
4 Northern	.99¼	.90⅝	.99¾	.89⅝
5 Wheat	.92¾	.84¾	.92¾	.88⅜
6 Wheat	.89⅜	.83¾	.89⅜	.81⅜
Feed Wheat	.72¾	.66¼	.72¾	.64⅜
Vancouver: Week to Aug 10:				
1 Northern	1.07¾	1.01¼	1.01⅝	.93⅝

Competitive Export Prices: (Aug.) shipment.

	High Week to Aug. 5	Low
No. 1 North. (Vanc.) ...	1.26	1.17⅞
No. 2 North. (Atlan.) ...	1.23⅝	1.15⅛
No. 2 North. (Vanc.) ...	1.21¼	1.14⅝
Hungarian*	1.06½	1.03¼
Australian (Afloat)	unquoted	
Australian‡	1.21¼	1.12¾

*Old and new crop, July-Aug. shipment. ‡September.

Winnipeg Grain Futures

Week to Aug. 11, 1936

Crop year from Aug. 1, 1936 High	Low		Open Aug. 5	High for week	Low for week	Close Aug. 11
		Wheat				
1.08⅜	.98¾	Oct.	1.05¼	1.08⅜	.98¾	.98¾
1.06⅜	.97⅜	Dec.	1.03¼	1.06¼	.97⅜	.98⅜
1.08½	.99½	May	1.05⅝	1.08¼	.99½	.99½
		Oats				
.49⅝	.45	Oct.	.47	.49¼	.46¾	.46¾
.48¼	.43	Dec.	.45	.47⅜	.44¾	.44¾
.48¾	.45⅛	May	.48½	.48½	.45⅛	.45⅛
		Barley				
.65⅝	.56	Oct.	.59	.65⅝	.58⅞	.61½
.60½	.54⅞	Dec.	.56⅜	.59½	.56¾	.58
.60⅞	.56⅝	May	.58¼	.59⅝	.56⅝	.57⅝
		Flax				
1.90½	1.72½	Oct.	1.83¾	1.90½	1.78	1.78½
1.88	1.73¾	Dec.	1.80	1.88	1.75½	1.75½
		Rye				
.70¼	.62	Oct.	.65½	.69⅝	.62	.62
.70	.61¾	Dec.	.65½	.69⅜	.61¾	.61⅝
.71⅝	.62⅝	May	.68½	.70⅝	.62⅝	.62⅝

Alberta Scrip MakesFarmers Furrow Brows

But Grain Growers Will Receive Cash From Elevator Companies

FEDERAL LAW APPLIES

From Our Own Correspondent

EDMONTON. — Elevator companies operating in Alberta are receiving many enquiries as to what they are going to do about the Alberta government's new currency, otherwise "Aberscrip." Prosperity certificates have been issued and the Social Credit certificates are in prospect.

Some enquiries are from government supporters who feel that elevator companies should do everything to keep the new substitutes for money in circulation. Most of them, however, are from worried farmers who are afraid that they may get paid for a large part of their produce in something else than money.

The position of the grain companies, however, is clear. Their operations are conducted under the Canada Grain Act, which prescribes that all grain purchased must be covered by "cash tickets," the form of which is set out in the Act.

Consequently no farmer needs to fear that he will be offered anything else than cash for his grain.

As they cannot pay out "Aberscrip," grain companies which sell flour and coal, as many of them do, will be equally unable to accept it in return for such commodities.

Ancroft Place Ltd. Plans Interest Cut

Bondholders to Meet to Consider Plan For Reorganization

A meeting of first and second mortgage bondholders of Ancroft Place Ltd., owners of a Toronto residential block, has been called for September 15 to consider a plan of reorganization.

Under the proposed plan, $289,500 of 6½% first mortgage bonds at present outstanding are to be exchanged for 4% bonds bearing interest from March 1, 1936, the first payment of 2% falling due Oct. 1, 1936. Interest arrears from March 1, 1935, are to be cancelled and provision made in the trust deed that no dividends shall be paid on the shares of the company until all the first mortgage bonds have been redeemed. In lieu of concessions made, first mortgage bondholders are to receive one new class A share for each $100 of bonds held.

Second mortgage bonds totalling $49,300 and in arrears from March 1, 1930, are to be surrendered and cancelled, and second mortgage bondholders given 4 shares of new class B stock for every $100 of bonds held.

Shareholders and Creditors

Holders of the present 1,100 shares of preferred stock, par $100, are to receive one share of class B stock for each 2 preferred shares held.

Holders of the present 900 shares of common stock are to receive one class B share for each 10 common shares held.

Non-current creditors with claims totalling $6,983 are to receive 50% of the principal amount of their claims in 5 annual installments commencing Jan. 1, 1937, without interest, and in addition 180 class B shares.

Provisions of class A and B shares are identical except that class A shares have the right to elect 3 of the board of 5 directors.

Zimmerknit Pays $3.50 On 7% Preferred

Zimmerknit Co. has declared a dividend of $3.50 a share on the 7% cumulative preferred shares. It is payable September 1, 1936, to shareholders of record August 15, 1936. The last 2 payments were made at the same rate February 15, 1936, and March 1, 1935. The dividends are now in arrears $3.50 a share.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.20	....
Can. Invest. Fund	4.30	4.50
All Can. Trustee	12.15	12.65
Trans-Canada	11.95	12.75
Grouped Income	6.36	6.95
Can. Equity	12.50	....

Metal Prices

New York—Aug. 11—
Copper: Electrolytic spot and future, $9.75.
Silver: 44¾c.

London—Aug. 11—
(Long Ton)—
Copper: Electrolytic spot, bid, £42 10s; asked, £43. Standard spot, £38 11s 3d; future, £38 16s 3d.
Tin—Spot, £186 15s; future, £183 10s.
Lead: Spot, £16 13s 9d; future, £16 16s 3d.
Zinc: Spot, £13 8s 9d; future, £13 11s 3d.
Gold: 138s 6d.
Silver: 19⅛d.

Canada—Aug. 11—
Gold: $34.78.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 293

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of SEPTEMBER next, to Shareholders of record at close of business on 31st July, 1936.

By Order of the Board

W. A. BOG, General Manager — JACKSON DODDS, General Manager

Montreal, 21st July, 1936.

The Canadian Bank of Commerce

Dividend No. 198

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1936, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st September next, to shareholders of record at the close of business on the 31st July, 1936. The Transfer Books will not be closed. By Order of the Board,

S. H. LOGAN, General Manager.

Toronto, 24th July, 1936.

Borden's

COMMON DIVIDEND No. 106

A quarterly dividend of forty cents (40¢) per share has been declared on the outstanding common stock of this Company, payable September 1, 1936, to stockholders of record at the close of business August 15, 1936. Checks will be mailed.

The Borden Company

E. L. NOETZEL, *Treasurer*

The Corrugated Paper Box Company, Limited

Preferred Stock Dividend No. 14

Notice is hereby given that a dividend of 1¾% has been declared on the Preferred Stock of the Company, payable on the 1st day of September, 1936, to shareholders of record at the close of business on the 15th day of August, 1936.

Dated the 7th day of August, 1936.

J. A. WHEALY, Secretary.

Zimmerknit Company Limited

Preferred Stock Dividend No. 4

Notice is hereby given that a Dividend of 3½% due February 1st, 1936, has been declared on the outstanding Preferred Stock of Zimmerknit Company Limited, payable on September 1st, 1936, to shareholders of record August 15th, 1936.

By Order of the Board,

E. D. MacPHEE, Secretary.

August 7th, 1936.

Photo Engravers & Electrotypers Limited

DIVIDEND No. 23

Notice is hereby given that a dividend of Fifty Cents per Share has been declared on the no par value stock of this Company, payable September 1st, 1936, to Shareholders of record at the close of business on the 15th day of August, 1936.

The Transfer books will not be closed.

By order of the Board.

JAMES RICHARDS, Secretary-Treasurer.

Toronto, August 7, 1936.

DIVIDEND NOTICES

SYLVANITE GOLD MINES, LIMITED

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

Notice of Dividend No. 19.

NOTICE is hereby given that a regular quarterly Dividend of Five per cent. (5%) (representing five cents per share) on the outstanding Capital Stock of the Company, payable in United States funds, has been declared.

Such Dividend will be payable September 30th, 1936, to Shareholders of record at the close of business August 17th, 1936.

In the case of Share Warrants such Dividend will be payable on or after September 30th, 1936, in respect to the shares specified therein, upon presentation and delivery of coupon No. 19 at:

The Canadian Bank of Commerce, Toronto, or any branch of said Bank in Canada (Yukon Territory excepted) at the Bank's current buying rate for United States funds on the date the coupon is cashed, without deduction for collection charges; or, Liberty Bank of Buffalo, Buffalo, N.Y.

The Canadian Five per cent. (5%) tax will be deducted from Dividends paid to non-residents.

By Order of the Board,

W. S. WALTON, Secretary.

Toronto, August 6th, 1936.

The Royal Bank of Canada

DIVIDEND NO. 196

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Tuesday, the first day of September next, to shareholders of record at the close of business on the 31st day of July, 1936.

By order of the Board.

S. G. DOBSON, General Manager

Montreal, Que., July 14, 1936.

The Bank of Toronto

Dividend No. 220

Notice is hereby given that a **Dividend of Two and One-half** per cent upon the Paid-up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its Branches on and after the first day of September next, to shareholders of record on August fifteenth, 1936.

By Order of the Board.

H. B. HENWOOD, General Manager.

DIVIDEND NOTICES

The Bank of Nova Scotia

Dividend No. 267

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of September 15th, and that the same will be payable on and after Thursday, the first day of October next, at any of the offices of the Bank in Canada.

By order of the Board.

H. F. PATTERSON, General Manager.

Halifax, N.S., August 11th, 1936.

ANGLO-CANADIAN TELEPHONE COMPANY

Class A Dividend Notice

Notice is hereby given that a dividend of One and One-Quarter Per Cent (1¼%) has been declared on the Class A Stock of the Company, payable September 1, 1936, to Stockholders of record at the close of business on August 15, 1936.

By Order of the Board.

GEOFFREY PURDY, Secretary.

Montreal, August 14, 1936.

Company Reports

National Light & Power Co.

For the first half of 1936, National Light & Power Co. reports income sufficient to cover bond interest for the period 1.96 times after deducting depreciation at an increased rate. This compares with coverage of 1.54 times in the first half of 1935.

The company operates the electric light and power system in Moose Jaw and sells power wholesale to the Saskatchewan Electric Commission and to Montreal Engineering Co.

Six Months Ended June 30

	1936 $	1935 $
Gross earnings	259,337	242,632
Oper. expenses	105,579	116,830
Net earnings	153,758	125,802
Less: Depreciation	35,010	32,735
Add: Misc. earnings ...	2,829	2,341
Net avail. for int.	121,577	95,388
Less: Bond interest	62,025	61,738
Net profit	59,552	33,650

Agnew-Surpass Shoe Stores

Agnew-Surpass Shoe Stores Ltd., with head office at Brantford, Ont., reports slightly reduced net profit for the year ended May 31, 1936, due chiefly to absence of last year's profit on sale of securities. Sales and total income were improved in the year.

Earnings amounted to $12.83 a share on the 9,362 preferred shares outstanding in the hands of the public. Earnings on the 79,524 common shares were equivalent to slightly over 63 cents a share, and dividends of 60 cents a share were declared compared with payments of 40 cents a share in the preceding year.

J. Ellis Warrington, president, in his annual statement to shareholders, advises that a new central warehouse has been purchased at Brantford and equipped with all modern conveniences. Also, 4 new stores were opened, making a total of 67 in operation in the 5 central and eastern provinces as at May 30, 1936.

Consolidated Income and Surplus Account Years Ended May 31

	1936 $	1935 $
Gross sales	2,559,230	2,357,600
Gross earnings	170,229	153,668
Add: Inc. from invests.	6,162	7,186
Profit fr. sale of secs.	....	10,129
Misc. adjust.	....	1,752
Less: Depreciation ...	29,949	28,963
Provision for taxes.	25,134	19,473
Directors' fees	445	1,200
Misc. adjust.	712	....
Net profit	120,151	123,099
Less appropriations:		
Preferred dividends	70,000	70,000
Common dividends .	48,000	32,000
Less: Subs. co.'s portion	4,734	3,088
Surplus for year	6,885	24,187
Add: Previous surplus	296,291	273,311
Less: Addit. inc. tax, pr. periods	665	1,207
Bal. carried forward .	302,511	296,291

Working Capital

	1936 $	1935 $
Current assets	1,271,204	1,247,140
Current liabilities	196,201	159,885
Working capital	1,075,003	1,087,255
Ratio	6.48—1	7.85—1

Willson Stationers

Due to reduction of the operating loss by nearly 75%, Willson Stationers & Envelopes Ltd. and subsidiaries from Winnipeg to Vancouver, show marked improvement in results for the year ended April 30, 1936. Income from rentals and dividends was about the same as in the preceding year and resulted in a net profit of $22,000 compared with $9,258.

New 5% preferred stock has been issued as a result of the recent reorganization and dividends will now amount to $20,000 annually on the 4,000 shares outstanding. One quarter's dividend at the new rate is shown in this year's report. Working capital shows improvement and the deficit of $114,503 was wiped out in the reorganization of capital.

Consolidated Income & Surplus Account† Years Ended April 30

	1936 $	1935 $
Gross profits	336,607	312,828
Less: Depreciation	13,518	12,676
Wages & salaries	183,390	176,717
Rents	48,615	50,302
Taxes	6,987	6,699
Interest and disc.	3,386	4,516
Bad debts	2,766	1,920
Other expenses	82,989	79,501
Operating loss	5,044	19,501
Add: Pioneer Env. divds.	......	7,000
Miscellaneous	14,270	7,272
Rents from assoc. cos..	19,800	19,800
Profit on plant	134	......
Less: Income taxes	7,157	4,835
Other charges	......	478
Net profit	22,002	9,258
Less appropriations:		
1st pref. divds.	5,000	......
Surplus for year	17,002	9,258
Less: Prev. deficit	114,503	123,761
Add: Adjust.†	154,011	......
Surplus forward	56,510	*114,503

†Re capital reorganization. *Deficit.

Working Capital

	1936 $	1935 $
Current assets	506,917	494,022
Current liabilities	47,489	55,704
Working capital	459,428	438,318
Ratio	10.67—1	8.97—1

Blue Ribbon Corp.

Net profit of Blue Ribbon Corp. and subsidiaries in the year ended June 30, 1936, was $2.22 a share on the 6½% preferred shares of $50 each. This compares with earnings of $1.98 a share in the preceding year. Partial dividends at $2 a share are being continued, but leave total arrears at 11⅞%, or $5.94 a share at present.

Broad changes in the balance sheet result from the inclusion for the first time of assets of Willard's Chocolates Ltd., Toronto, which was acquired in April, 1935.

J. M. deC. O'Grady, president, reports that volume of business has been well maintained and that progress is satisfactory in marketing Blue Ribbon branded products, such as tea and coffee, in eastern Canada. The work and expense of pushing these brands in eastern Canada is expected to result in satisfactory gains.

The increase in working capital is due largely to inclusion of Willard's Chocolates assets in the balance sheet.

Consolidated Income and Surplus Account Years Ended June 30

	1936 $	1935 $
Operating profit	168,894	102,756
Less: Depreciation ..	82,687	32,211
Income tax reserve .	20,001	11,041
Net profit	66,206	59,504
Less appropriations:		
Preferred divds.	59,700	59,700
Surplus for year	6,506	*196
Add: Prev. surplus .	71,679	71,874
Surplus forward	78,185	71,678

*Deficit.

Working Capital

	1936 $	1935 $
Current assets	1,536,790	997,258
Current liabilities	632,442	281,372
Working capital	904,348	715,886
Ratio	[illegible]	[illegible]

Canada Dry Ginger Ale

In reporting a smaller loss for the quarter ended June 30, 1936, than in the same quarter of the preceding year, R. W. Moore, president, Canada Dry Ginger Ale, Inc., states sales in the 9 months of the fiscal year to June 30 increased 714,528 cases, entirely due to the new price schedules introduced and the policy of opening new direct delivery markets. In the third quarter ended June 30 case sales, including Canada, exceeded the same quarter of 1935 by 591,142 cases. The Canadian gain was nearly 50,000 cases.

Adjustments of floor stocks because of the new prices continued in this quarter and required $130,000, a total of $333,000 since the new prices started. The freight absorbed on goods shipped in conjunction with the floor stock adjustment was $108,000. These charges are non-recurring.

Selling prices of carbonated beverages of the company were reduced 30% in February in New England and later in other parts of the United States. Direct delivery combined with lower prices have meant that case sales for 4 consecutive months were highest in company's history.

Direct delivery operations are more expensive but larger totals are expected to offset the difference. The company's older direct delivery markets such as Canada, New England and New York, have been the most profitable operations.

Cons. Profit and Loss Account Three Months Ended June 30

	1936 $	1935 $
Gross profit	1,402,831	1,312,808
Less: Sales expenses..	1,319,130	1,282,626
Operating profit	83,701	30,182
Add: Other income ...	11,288	24,991
Total net income	94,989	55,173
Less: Other deduct...	39,672	79,606
Depreciation	50,958	62,849
Interest	2,025	1,522
Est. income taxes ..	24,889	*2,994
Net loss for period ...	22,555	85,810

*Credit item.

M. & O. Paper Co.

Eighth report of the trustees of Minnesota & Ontario Paper Co., in receivership shows improved income both for M. & O. and for its major subsidiary, National Pole & Treating Co. The report covers the first half of this year.

M. & O. Paper Co. is shown as still being short of earnings to cover depreciation and depletion. Bond interest is charged as usual, although it is not being paid.

National Pole & Treating Co. shows some net income available for interest on its $2 millions of 6% notes due Dec. 1, 1936. Plans for refinancing these notes are to be announced shortly.

Slight improvement is shown in the working capital position of M. & O. Paper Co. without including National Pole & Treating Co. The latter had a working capital of $1.8 million at June 30, 1936, almost unchanged from the position at Dec. 31, 1935.

In the following accounts, it should be noted that income of National Pole & Treating Co. is not included in the results of M. & O. Paper Co. for the period ended June 21, 1936. Hence, comparative accounts of National Pole & Treating Co. are published separately below:

Income and Surplus Account

	Jan. 5 to June 21 ‡1936 $	6 mos. to June 30 †1935 $
Sales (incl. rly. rev.)	5,701,846	5,389,768
Less: Cost of sales ..	4,748,202	4,295,831
Gross profit	953,644	1,303,937
Less: Selling, admin. & gen. exp.	645,308	1,143,198
Oper. profit	308,335	160,739
Add: Other inc.	60,362	63,255
Total inc.	368,697	223,994
Less: Int. pd. on notes sec.	....	6,000
Int. pd. on fund. debt of subs.	8,519	63,190
Other int., accr. & pd.	2,253	4,504
Int. on funded debt, accr. but unpaid .	1,013,869	1,046,410
Int. on other obligations, accr. but unpd.	104,343	109,229
Depreciation	333,096	380,963
Depletion	129,228	102,378
Amort. of bd. disc. & exp.	....	10,597
Loss on sale of cap. assets	3,133	658,943
Misc. debits	179,066	*160,959
Loss on retire. cap. assets	7,833	....
Net loss	1,412,663	1,999,261
Less: Prev. surp.	10,025,287	18,740,230
Add: Res. for red. of N. P. & T. Co. stk.	90,346	94,300
Surplus forward	8,522,277	16,646,669

*Credit.
†Including, ‡excluding National Pole & Treating Co.

Working Capital

	June 21 1936 $	Dec. 31 1935 $
Current assets	5,244,523	5,180,513
Current liabilities	1,605,391	1,617,209
Working capital	3,639,132	3,563,304
Ratio	3.26—1	3.20—1

MORE

National Pole and Treating Co. Income and Surplus Account 6 Months Ended June 30

	1936 $	1935 $
Sales, net	740,303	524,351
Cost of sales	655,753	533,993
Gross profit	84,550	*9,641
Less: Admin. exps. ..	72,286	59,186
Add: Other income ..	2,620	2,614
Net income	14,884	*66,213
Less: Int. on debt	51,075	53,890
Amort. of bd. disct.	10,265	10,597
Add: Misc. adjts.	†1,841	†168,668
Loss for period	44,615	†37,967
Add: Prev. surplus ...	858,694	955,827
Surplus forward	814,079	993,794

*Loss. †Credit.

Fox Lake Gold Mines Will Drill to Depth

Fox Lake Gold Mines, in the Sudbury district, is negotiating for a No. 2 Longyear Steam Diamond drill outfit capable of drilling to 2,500 ft. to explore present findings at depth.

To date 4 drill holes have been sunk at intervals along the main Fox Lake and the Cochrane veins. These tests verified the vein length previously shown by surface exploration and showed a width of vein matter varying from 12 to 16 ft., Capt. L. W. Adams, president, reports.

Ardeen to Deepen Shaft; Establishes New Levels

Ardeen Gold Mines, in Moss Twp., Thunder Bay district of Ontario, has started work deepening its shaft to 1,250 ft., and establishing 2 new levels, The Financial Post learns officially. At the same time, development work is continuing laterally in the upper levels.

July production at this property, formerly held by Moss Mines is valued at $28,446. June production had a value of $21,432.

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Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
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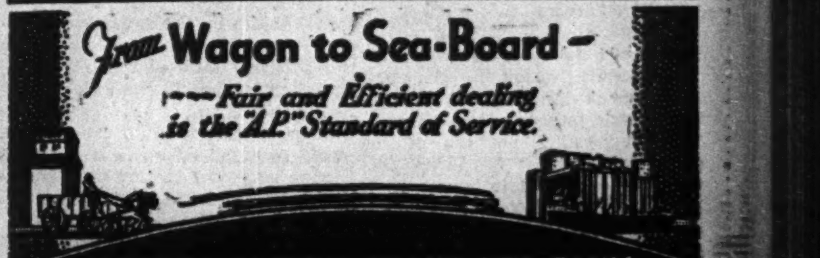

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The Week in Mining

Market Unimpressed By Latest War Scare

Individual Action Makes Erratic Condition — Established Producers More in Favor

Individual losses and gains have made an erratic and uncertain market of late. Doubtless the situation in Europe has added to the general lack of decisiveness, although the Spanish war scare failed to dishearten the market to the extent that it would have a few years ago. Like the boy who cried "wolf, wolf," European war scares have lost much of their awesomeness for markets, owing to the fact that in the past year or so they have had to withstand so many shocks of this sort. Today, when European cables start getting excited about "crises" the market is apt to glance up with a slightly cynical eye, and then go on about its business.

If any trend was noticeable in the past week, it was that senior issues, and established producers are tending to get much of the attention formerly lavished on the "pennies." This, of course, is a healthy trend within reason and tends towards a healthier market.

Inco's Outlook

BASED on results for the first half of the year, International Nickel Co. of Canada should earn in the neighborhood of at least $2.25 per share on its common stock. That the earnings per share may be substantially more than this is being freely predicted. Basis for this prediction is that exports of nickel in the first half of this year, as revealed by the Dominion Bureau of Statistics, were more than 50% greater than the corresponding period of 1935. These exports, of course, do not show immediately in the earnings statements, because large quantities have to be treated in the company's various plants, and Inco has always maintained a policy of keeping up its metal reserves ahead of sales.

In the meantime, the report for the second quarter, analyzed in another column, shows the amazing strides made by the company in the past few years.

As recently as 1932, the company earned nil on both its preferred and common stock. No dividends were paid on the common stock in either 1932 nor 1933, in which year earnings per share were 0.53 cents. In 1934, earnings per share on the common stock rose to $1.13 and to $1.65 in 1935.

It is interesting to note that the platinum group of metals is becoming increasingly important in the company's production.

* * *

Falconbridge Quarter

FALCONBRIDGE NICKEL CO. also reports a successful second quarter. It will be noticed that the nickel recovery per ton of ore milled in the second quarter shows a slightly lower grade, but this drop is explained by the management as being due to a drop in the percentage of waste picked out from the ore prior to treatment.

Falconbridge is also expanding its operation, capital expenditures showing a marked rise in the second quarter of the year.

* * *

"Risks Exaggerated"

JUDGING from the number of foremost United States securities houses who are now sponsoring or recommending stock in Canadian golds, there will be no dearth of capital for this industry from abroad.

An interesting analysis of the gold share market has been prepared by one of these houses, E. F. Hutton & Co. of New York. This booklet discusses in an impartial and authoritative manner the influences affecting gold mining profits. The concluding remarks are of particular interest, coming as they do from a substantial source:

"Obviously, there are many risks inherent in gold mining and the profitable life of a mine has limits. Although there are not often such definite limits to the existence of other corporations, there are in them a great number of circumstances which may lead to an untimely demise. Moreover the limits to the life of a gold mine are rarely known and are generally much farther removed than estimates of conservative engineers indicate. It is our opinion, therefore, that the risks of gold mining have been exaggerated when compared with those of other businesses."

* * *

San Antonio's Drop

AT PRESS time, officials of San Antonio Gold Mines, the Rice Lake, Manitoba producer, had failed to make a public statement which would have thrown some light on the sharp decline in this stock on eastern markets. As far as the public is aware, nothing untoward has occurred at the property. Results on the Gabrielle property, acquired last year, have been reported as favorable, although nothing official has been issued. The grade, while believed to be down slightly from the previous year, would be increased in the latter part of the year. Mill tonnage has been increased by the addition of a crusher.

One of the causes of the drop in market value of the stock is believed to be a doubt in some quarters as to the August dividend. San Antonio is not on a regular dividend basis, although 21 cents per share was paid in 1935, and 7 cents in April of this year. Last year, dividend requirements were slightly in excess of earnings per share, which caused a deficit of $9,652. Some declaration regarding another dividend is due shortly.

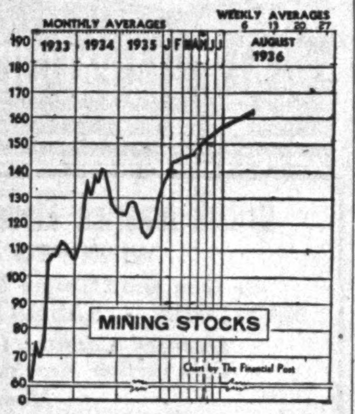
* * *

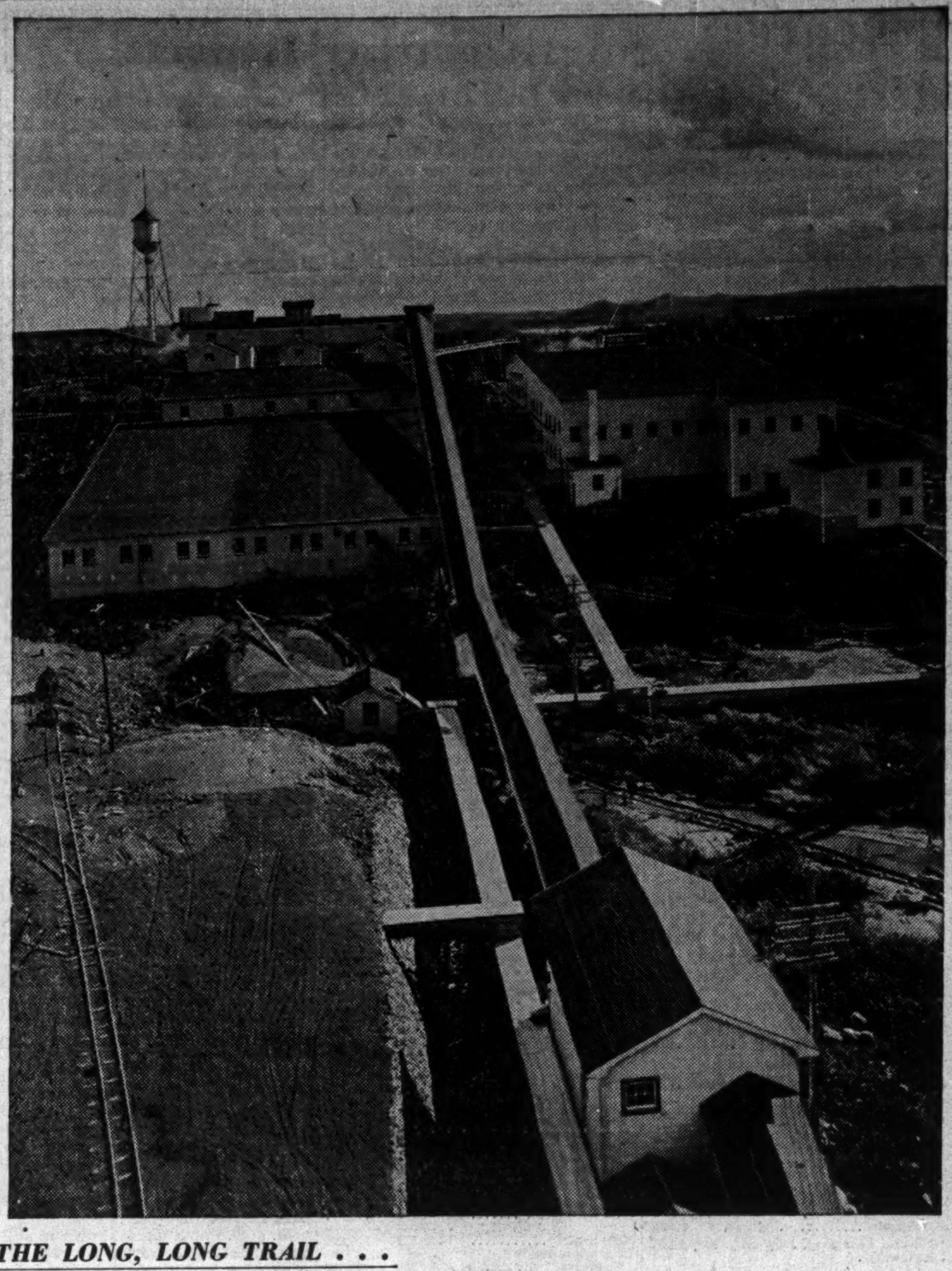
Index to Mining Stocks

AFTER the rally of the past 2 weeks, the price index of 23 mining stocks sustained a fractional loss, the index declining from 161.0 for the week of July 30 to 160.4 for the week of August 6. The index for the comparable week in 1935 was 116.6.

Recessions in the gold group were quite general, but the appreciable gain of $2.32 for Dome was quoted as the main factor which prevented a drop of a larger proportion in the gold index. For the week of August 6 this index was 135.1 as compared with 136.0 for the previous week and 107.8 for the week ending August 8, 1935.

The advance in price of Noranda was said to be the favorable influence which maintained the index of 3 base metals at the high level reached last week, the index registering a gain of .3. The index mounted from 265.2 for the week of July 30 to 265.5 for this week. This index was 154.3 for the corresponding week in 1935.





THE LONG, LONG TRAIL . . .

It's a long trail from the crusher to the mill in a modern Canadian gold mine, yet along that trail go many millions of dollars of wealth annually. Above is an interesting view of the conveyor and mill at Beattie Mines, about 20 miles northwest of Noranda in Quebec. The photograph was taken from the shaft house, in which preliminary crushing is done as the ore is hoisted from underground.

Raising Gives Further Data To Gold Eagle

Assays Across 5 Ft. From $19.60 to $46.80

WORK CONTINUES

Raising operations in the No. 1 shear on the 500-ft. level at Gold Eagle in the Red Lake district of Ontario are now up 21 ft., according to a wire received from the property by company officials. Assays taken on this raise are: At 5 ft., $22.40; at 10 ft., $19.60, and at 15 ft., $46.80. All are across 5 ft. with the raise located about 10 ft. to the east of the No. 3 cross cut. Drifting on this shear is continuing with the last assay $21 at the 300-ft. mark. Assay width at this point was 36 in.

On the Gold Eagle vein on the 250-ft. level southeast the last assay was $12.60, across 34 in. This cross cut is now in about 375 ft., almost all in ore. Work has just started on the 125-ft. level with the cross cut now in about 16 ft.

At the Mines

Blue Star Mines—This Kenora property is now equipped with a complete mining plant and the enlarged underground development campaign will get under way immediately according to advice from the field. The main shaft will be immediately deepened to 150 ft.

* * *

Cariboo Gold Quartz — July recovery amounted to 2.014 fine oz. of gold, from 5,461 tons of ore treated, or a recovery per ton of 0.37 oz.

* * *

Garnet Gold Syndicate—A crew, under C. S. Carter, is carrying out surface development on this property in Garnet Township, Sudbury mining division. The company informs The Financial Post that 11 veins have been uncovered to date, the main vein being 26 to 32 ft. in width. Channel sampling of this vein by Mr. Carter gave values running from 60 cents to $164.90 in gold per ton.

* * *

Island Mountain Mines—B.C. producer reports to The Post that July recovery amounted to 1,464 fine oz. of gold from 3,792 tons of ore treated.

* * *

MacLeod Cockshutt Gold Mines—has started sinking a 4-compartment shaft, and expects to proceed at the rate of about 175 ft. per month on its property in the Little Long Lac district of Ontario. The first station will be cut at 150 ft.

* * *

The Manitoba Basin Mining Co.—reports exploration is now being carried out on its properties in the Hutchinson Lake and Wedding-Florence River districts of Quebec. Arrangements are also being made for the carrying out of necessary assessment work on the Lake Athabasca holdings.

* * *

Rahill Red Lake—states a new drill hole has been started to prove the further extension of the Gold Eagle vein on the Rahill ground and to intersect the presumed extension of the MacKenzie Red Lake ore zone. The drill hole just completed to a vertical depth of 600 ft. cut the Gold Eagle zone in which appreciable quantities of pre-gold were in evidence, the company reports.

International Nickel Profit In 2nd Quarter 59c Share

Net profit of $9,070,187, equivalent to 59 cents per share on the 14,584,025 common shares outstanding, is reported for the second quarter of 1936 by International Nickel Co. of Canada Ltd. This compares with a net profit of $8,386,787 or 54 cents per share earned in the first quarter of the year.

Net profits of International Nickel for the first half of the year are accordingly $1.13 per share. This compares with a net profit of 64 cents for the first half of 1935.

Improvement is also shown in the consolidated balance sheet as of June 30, 1936, in which current assets are reported to total $69,375,431, including $40,653,863 in cash. On Dec. 31, 1935, current assets were shown at $60,109,936, of which $32,720,024 was in cash. Current liabilities as of June 30 amounted to $10,908,267, leaving working capital of $58,467,164. Working capital at the end of the last year amounted to $50,488,934.

Eleven different metals are being produced and marketed by the company now, Robert C. Stanley, president, states in a letter accompanying the report. These metals are nickel, copper, gold, silver, platinum, palladium, rhodium, ruthenium, iridium, selenium and tellurium.

Speaking of copper, Inco's president points out statistics of the past year indicate a general increase in the use of copper throughout the world, especially in markets served by International Nickel. Progress is being made with the platinum metals in the production of acids and rayon, in the improvement of dental gold alloys, and in the wider use of rhodium electro-plate in the jewellery and allied trades. Selenium is an accepted material in the glass industry and in certain branches of rubber manufacture.

Comparative income and surplus accounts for the 3 periods follow:

Income & Surplus Acc't.

	3 Mos. Ended June 30, 1936	6 Mos. Ended June 30, 1936	6 Mos. Ended June 30, 1935
	$	$	$
Earnings	13,264,027	25,165,888	15,867,307
Less: Admin. & h.o. exp.	367,068	812,532	728,691
Net oper. profit	12,896,959	24,353,356	15,138,616
Add: Other income	130,622	201,060	233,818
Less: Int. pd. & accr.	......	......	145,527
Provision for:			
Inc. & franchise taxes	2,283,152	3,781,466	1,933,611
Deprec. & deplet.	1,277,717	2,549,894	2,346,568
Retirement res., etc.	39,524	766,082	608,486
Net profit	9,070,188	17,456,974	10,338,242
Less: Preferred div.	483,475	966,949	966,949
Common div.	4,373,451	8,017,993	4,373,451
Surplus for period	4,213,262	8,472,032	4,997,842
Add: Prev. surplus	48,353,264	44,094,494	30,990,016
Less: Tax adjust.	264,897	264,897	......
Earned surp. fwd.	52,301,629	52,301,629	35,987,858

Note: Exchange adjustments for the 6 months ended June 30, amounting to a net credit of $270,530, were not reflected in the net profit for the period but were credited to exchange reserve.

Earnings per Share and Dividend Record:

Common: Earned	$0.59	$1.13	$0.64
Paid	0.30	0.55	0.30

MacAndrew Red Lake

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Bulletin Upon Request

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Notice to the Shareholders of

WENDIGO GOLD MINES

(No Personal Liability) LIMITED

In order to secure the most recent progress report, it is important that all shareholders be properly registered.

Where certificates are in "Street" form or in Brokers' names, the Company has no means of direct communication with the shareholder.

Shareholders not holding certificates in their own name are urged to forward shares to the Royal Trust Company, at Toronto, Canada, to be registered.

WENDIGO GOLD MINES
(No personal liability) LIMITED

H. R. TUDHOPE,
Secretary-Treasurer

Toronto, Canada, August 11, 1936.

Falconbridge Nets 11c Share 2nd Quarter

Report Reflects Expenses of Current Expansion Programme

LOOK TO FUTURE

Net profits equal to 11.1 cents per share are shown by Falconbridge Nickel Mines, Sudbury producer, for the second quarter of 1936. This compares favorably with earnings of 10.2 cents per share in the second quarter of 1935, and with 10.4 cents per share in the first quarter of 1936.

While tons treated increased in the second quarter, as will be seen in the table below, grade of nickel content dropped slightly, due, it is explained to a drop in the percentage of waste picked out from the ore prior to treatment.

During the present expansion programme, construction expenditures at the mine, smelter and refinery are necessarily heavy, N. F. Parkinson, secretary, explains, but "represent a conservative ploughing back of earnings looking toward greater production in the future."

Comparative statements for the second quarter of 1936 and 1935 follow:

3 Months Ended June 30

	1936	1935
Tons treated	86,228	73,587
Nickel matte, lb.	2,955,316	2,343,654
Copper matte, lb.	1,435,539	1,313,273
Refined nickel, lb.	2,752,043	2,654,114
Refined copper, lb.	1,215,473	1,236,217
	$	$
Gross oper. profit	611,113	528,024
Less: Prov. for taxes	58,800	55,860
Profit after taxes but before write-offs	552,313	472,164
Less: Deprec. and deferred develop.	181,729	137,642
Net profit	370,584	334,522

Note—Above figures are exclusive of non-operating revenue.

Company Formed By Old Diamond

Old Diamond Gold Syndicate has been incorporated and is now known as the Old Diamond Gold Mines, with an authorized capitalization of 3 million shares of $1 par. Units in the syndicate, which carry 200 shares of stock each, are to remain in the hands of the unit holders and, according to usual procedure under the Ontario Securities Commission, the exchange of stock for these issued and sold units will not be carried out until the property is in a more advanced stage of development.

Bouscadillac Mines Applies For Listing

Application has been made to the Montreal Curb Market for the listing of the shares of Bouscadillac Gold Mines. Meanwhile, negotiations have been completed with the Northern Quebec Power Co. for the installation of power on the company's property in Bousquet Township adjoining Thompson Cadillac.

The company reports it has $150,000 cash on hand at the present time.

N. C. URQUHART & CO.

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Arcade Resumes Work In Matachewan Field

Mining operations have been resumed at Arbade Gold Mines in the Matachewan area, C. A. Floyd, president, informs The Financial Post. All mining machinery has been installed and steam is being used. The watering of the shaft has been completed and officials report that shaft work is now well under way. The company plans to continue the shaft to the 125-ft. level, where the station will be cut. Drifting along the shaft dyke will then proceed for 400 ft.

Mr. Floyd claims the company is already financed to take care of this programme and further funds are being arranged with a private New York group.

Montague Gold Mines Sells 25,000 Shares

Developing a property in Nova Scotia, Montague Gold Mines has notified the Montreal Curb Market of the sale of 25,000 shares of treasury stock to private interests at $1 per share. This leaves a balance of 3,265 shares in the treasury. The company's capital of one million shares of $1 par value was listed on the Montreal Curb Market recently.

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Mines, Limited

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Mine Office
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Behind the Mining Boom

Gold Stocks' Place Firm During Recovery Period

Changing Economic Conditions Seen to Have Little Worry for Established Producers, if Price Holds

The interest which the public is showing in the mining market makes timely, The Financial Post feels, a general discussion of the broad facts underlying boom conditions such as exist in this field today. This is the fifth of a series aimed at opening up such a discussion, and deals with the place of established gold producers in a "normal" world.

By WILFRID SANDERS

It is not generally recognized that, from the point of view of price stability, gold shares generally have shown themselves to be much more reliable than the common stocks of industrial and public utility companies.

Gold mining is still regarded by a few as a feast-or-famine, dividends-or-debts proposition. Yet, given a stable price for its product, statistics show that the index price range of a group of gold mining stocks fluctuates within a narrower range than a representative group of industrials within the same period. The price action of gold stocks even compares favorably with bond averages.

The indices prepared by the Dominion Bureau of Statistics show that major moves in the average price of gold shares results only from a major move in the price of gold. Industrial and public utility stocks are subject, on the other hand, to myriad forces, such as markets, new substitutes for the product, overwhelming competition from some other producer, adverse price trends, etc.

No Substitute Yet

Gold producers are sure of a market for their product, so sure in fact, that they need employ no salesmen. A substitute for gold has never yet been devised, nor is there much likelihood there ever will be. As a currency basis, it is, from a utilitarian point of view, and apart from economic theories on currency, about as perfect as it can be. So that gold does not have to worry very much about a substitute.

Then again, gold producers need fear no competition. No one has ever had any trouble selling gold. A new producing mine does not compete with an established producer.

As regards price trends, as shown recently in The Financial Post, the long term trend of gold prices has been upward for centuries. In other words, changes in the price of gold have reacted favorably to the producers much more frequently than unfavorably. Gold prices remained at $20.67 per ounce for almost a hundred years prior to the recent increase.

All these bullish factors are effective, of course, only after the mine has become an established producer, with a satisfactory margin of ore reserves. Probably 90% of the troubles of mining occur before this much-sought goal is reached. It is prior to this stage that the hazards of mining investment, as they are generally known, exist. This article does not attempt to minimize these hazards, but nevertheless it is intended to deal here with gold stocks in established producers. In the following discussion therefore the existence of 2 or 3 years ore ahead of the mill must be assumed.

The Future in Mist

Assuming this, then, what dangers has the shareholder in a gold mine to face? What will be its position under "normal" or prosperous times? Probably the most important has to do with the future price of gold, and right here he might as well admit that the future is cloaked in a thick mist. Nobody at all familiar with the weighty political and economic forces behind the future of gold would attempt a forecast without much thought. And the more thought, the less likelihood of a forecast. The subject has been discussed frequently in The Financial Post and other journals. Briefly, the public can choose between 2 schools of thought; the school that points to huge governmental deficits in U.S. and elsewhere, and to the possibility that the collapse of the gold bloc might instigate a fierce international currency war, as reasons for forecasting an early upping in gold prices; and the school that believes inflation has already gone far enough, and that commodity prices have already sufficient grounds for a sharp rise within the next 2 or 3 years. The latter school believes that recovery, if not here now, is well on its way, and that therefore any reason for further devaluation has passed.

Both these theories have a tremendous amount of logic behind them, and it is for professional economists—and gold share investors—to choose.

These 2 theories confine themselves to the possibility of a further increase in the price of gold. The gold share investor can get tangible comfort from the fact that only a minority of experts see any immediate possibility of a drop in the dollar value of gold below the $35 per ounce mark. To the investor in gold stocks, then, it is chiefly a question of getting something more than he already has, not of losing what he already has.

Cost Problems

In addition to the price of gold, the gold share investor must face the possibility of rising costs. Commodity prices have been rising since 1933, and the trend appears to be upward. Will this rise be sufficient to offset increased profits resulting from high, and possibly higher, gold prices? Several factors, peculiar to gold mining, tend to support the negative, although theoretically the affirmative is sound, and is practically sound in the case of most industrial concerns. In the first place, when depression was at its peak, costs at a minimum, and gold price at $35 per ounce, Canadian mines adopted a policy of treating a lower grade of ore than formerly. This had the result of increasing the per ounce cost of the gold produced. Much of this low grade material, usually obtained from the upper levels of the mine, has now been exhausted with the result that, in general, gold mines are prepared to treat a higher grade of ore, thus reducing the per ounce cost of gold. This elasticity of "raw material," or ore, is one of the big advantages enjoyed by the gold mining industry. It is quite logical to expect, therefore, that as costs rise, the grade treated will also rise, and the earnings kept at a stable level.

Also, during depression years, Canadian mines paid a high wage. The industry, being prosperous, did not need to institute the wage and salary cuts which were the common thing in industrial concerns. As wages generally rise, following the rise in commodity prices, it is doubtful if the labor costs of mining will increase proportionately because of this high depression wage level.

Thirdly, improved mining methods are continually being devised, tending to lower costs. Many properties, which could not possibly have been worked profitably 25 years ago, even at $35 gold, are today being worked at a profit because of this improvement in methods, and reduction in overhead. While, as has been said, the per ounce cost increased, costs per ton of ore have not shown much increase.

Power is a considerable factor in mining costs. The cost of power varies inversely to the number of consumers. The more customers a power company, whether publicly owned or not, has in a certain area, the more cheaply can it deliver power to its customers. The growth of mining has resulted in a sharp increase in the number of active properties, so that it is logical to expect a proportionate drop in power rates.

On the whole, then, it does not seem likely that the gold mining industry has much to worry about in the strong possibility of rising commodity prices.

Will Taxes Increase?

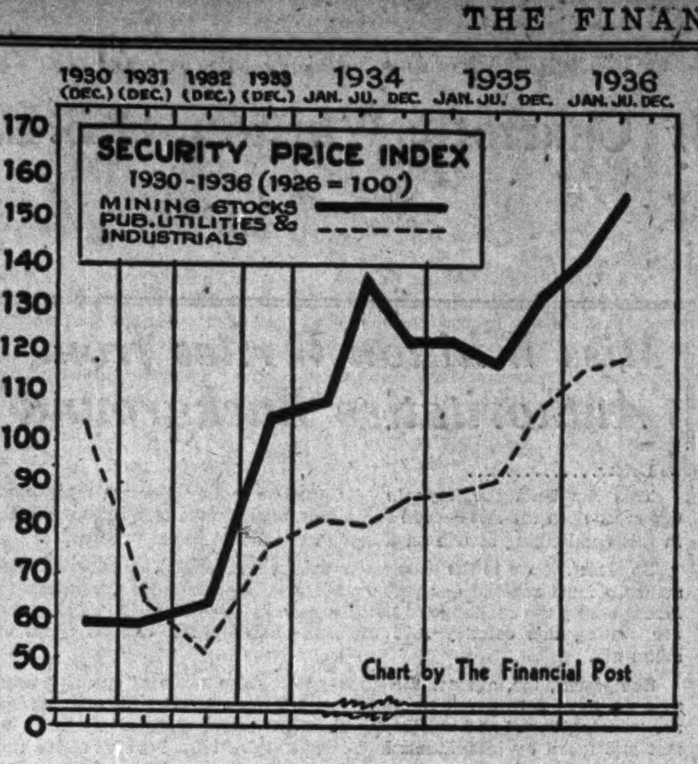
Under the heading of costs, comes the question of taxes. Governments, hard pressed for revenue, and, (in the opinion of the mining man) not fully appreciating the importance of mining in the economic picture, might easily nullify all these bullish cost factors by onerous taxation. Some steps along this road were actually taken in Canada, but the attempt was short lived. The attitude of governments in the past year or so has undergone a noteworthy change in this regard. Not only has the 25% bullion tax been removed, but steps were taken in the last budget to relieve young producers from the tax burden, without placing additional loads on the shoulders of these senior golds. The present federal government has given assurance that, as long as they are in office, at least, Canadian mines will have a stable taxation levy. Both the provincial and federal governments have indicated a desire to co-operate with, and foster the mining industry.

Less Pressure for Revenue

There is another angle to this question of taxation. As business generally recovers, relief burdens lighten and governmental coffers fatten accordingly, the pressure for revenue should be eased. The return to normal times therefore should, as far as taxation is concerned, materially aid the mining industry.

It might be argued that, as industrial concerns return to normal profit conditions, and start paying a higher yield, capital will swing away from mining and return to the industrial fold. This may possibly be a deterrent to the prospecting for and developing of mines, but the established producer has no need for speculative capital, and it is with this type that this article is concerned.

Bearing all these factors in mind, it will be seen that the place of gold mining in a normal economic world is comparatively secure. The weakest link, the unknown factor, remains the price of gold. It has been shown, however, that, while a definite forecast in this respect would be futile, the consensus of opinion does appear to favor the maintenance of $35 per ounce gold, if not an upward movement.



MINES LEAD INDUSTRIALS

Just how far mining stocks have progressed ahead of industrial and public utilities securities can be seen from the above chart, prepared from data obtained from the Dominion Bureau of Statistics. Prior to the sharp rise in stocks shown, which dates of course from the increase in the price of gold, the level of mining share prices had been remarkably stable, and did not show nearly the fluctuations shown by the industrials.

Is Gold in India Safety?

By THOMAS F. WOODLOCK
in the Wall Street Journal

This writer listened on a recent evening to a private after-dinner debate on the question of safe permanent investment for capital. Three countries were represented besides Great Britain—the United States, Canada and France. A surprising unanimity developed on one point, namely, that—having in mind the long future—the European continent (with some little possible qualification in favor of the Scandinavian countries) offered no safe haven for capital in any form! Even the Briton concurred in this sweeping generalization, admitting that his own country shares in the Continent's insecurity. The North American continent, all agreed, possessed some favorable natural qualities, first among which was its relative immunity with respect to war. This, coupled with its great physical resources, sharply differentiated it from the Old World. But then there came the question of politics, and here loomed a sea of troubles.

The Canadian (a banker) claimed for his country a greater homogeneity of population and a greater stability of political tradition, particularly in the case of the Quebec French whom he considered to be the equivalent of a gyroscope in the national hull counteracting the tendency of the western provinces to rock the ship. The American (a Virginian industrialist) regretfully acknowledged the Canadian's implied criticism of our own instability, but pointed to Canada's heavy burden of debt and lack of population proportionate to area and resources, and wondered whether the country could carry through without a breakdown of national credit. The Canadian "acknowledged the corn" but insisted that, all things considered, Canada was a safer place for money than was the United States.

Frenchman's View

The contribution of the Frenchman was interesting and may be summarized as follows:

"Let us look at this matter logically. What we are talking about is capital—that is money in the hands of a man who wishes to place it somewhere where it will be safe and will produce for him a regular return without his having to work with it. In short, rentier money. Now the first thing that seems to me clear is that we face a future in which there will be no place for the rentier such as has existed for a century and a half. In other words, there will be no place where he can put his money to work for him with assurance either of regular return or safety of his principal. The only difference between Europe and North America is that Europe is threatened by war and North America is not. But both are in social and political change of a revolutionary kind, the goal of which is precisely the expropriation of the rentier class by destruction of private profit in both commerce and industry, and the control of both by the totalitarian state. In the second place, actual property of any kind, including land itself, will be gradually confiscated, either directly or—by taxation — indirectly, wherever it can be found. Thus there will be neither prospect of return nor safety of principal.

"This being so, the problem is to find something which has assured value—that is, which can always be exchanged for anything else— and some place where it will be safe from confiscation in any manner. There is but one such thing in the world which meets that requirement —gold. So far as we can see there is yet no sign that mankind's desire for gold as the ultimate form of wealth has been at all weakened. Gold is indestructible, portable and easily concealed. That is obviously the safest form in which capital can be made secure as to principal.

Gold in Bombay

"So far so good. But where can it be put to be safe from confiscation? Safe in an absolute sense—nowhere! But there is one place in the world which is much safer than all other —British India. As we all know, the wealth of the Indian princes and potentates is largely in gold and precious stones. The stability of India's political structure depends now more than ever upon the co-operation of these princes with Great Britain in her gigantic experiment with democracy on that continent. Under existing law Great Britain can at any moment nationalize the gold hoards within her borders as you did in America, but no such thing is thinkable in India for the reason I have stated. I conclude, therefore, that the safest form of and place for capital in the world today is—gold in Bombay!

"A shocking conclusion, you think, for it means a regression of three thousand years in the story of civilization. But it is merely the logic of the present projected into the future, and I defy you to impugn it. Our civilization, a thousand years old, is disintegrating before our eyes, and we cannot bring ourselves to believe it, any more than could the nobility of France really believe in the revolution, even when they saw the smoke of the Bastille and the march of the mob on Versailles."

Which is submitted to the reader with the assurance that the foregoing remarks were spoken in deadly earnest.

Mining Enquiries

Profits in Gold

Should I take my profit on Dome Mines stock, which I bought at $45 a share, and purchase Lake Shore?

You would hardly be consolidating your profit, since you would be reinvesting in a major gold mine whose shares have also risen. To retain your profit in the form nearest to cash, you would have to reinvest in some fixed value, fixed income security, such as high quality government or corporation bonds. The larger question for you to decide is whether you should continue to leave your funds in the best gold mining shares at present high prices.

Little Long Lac Gold

How is Little Long Lac Gold progressing? I bought some of this stock some time ago after reading a report in your paper, and notice the market has reacted favorably.

Both development and production results at Little Long Lac Gold Mines are proceeding favorably, according to current advices.

The company is developing 2 new levels at 815 and 1,000 feet with ore grades equalling the average of the upper horizons. Grades are reported at about ¾ oz. over drift widths, but assay width is larger.

Coincident with the company's success in placing more commercial ore in sight is the fact that it is now maintaining daily mill tonnage at a steady 250 tons. Monthly production figures of around $120,000 or higher are expected for the next few months. As development work proceeds, it is probable production figures will increase. A year ago daily mill tonnage was less than 175 and it was only in the March quarter of this year that the figure rose to slightly over 200 tons for the first time. The outlook for the property appears quite favorable.

Split Lake Gold

Please give me some recent information on Split Lake Gold Mines.

Split Lake Gold Mines is making headway with its underground developments and exploration programme, and the crosscut on the first level recently intersected the No. 5 vein which has a width of 15 ft. No word has been received as yet regarding values in this operation. Samples from parts of the dump assayed over one ounce gold per ton however, along with some other metal reported to be platinum.

Split Lake has made rather impressive progress from the time of its original discovery. Rich surface finds were made and a part of the company's stock held by Smelter Gold was used for financing the operation. Over $100,000 has been raised for development and Smelter Gold still holds over 2.1 million shares of Split Lake in its treasury.

Meanwhile the property is still in the prospective class, and until further underground exploration has been carried out it is not possible to express an opinion on its productive potentialities. To date results have been obviously more favorable than otherwise.

Current Chatter From B. C.

From Our Own Correspondent

VANCOUVER. — Bayonne Consolidated Mining Co.'s new 50-ton cyanide mill will be in operation by the middle of October, according to the management. Bayonne is at the head of Summit Creek on the Crow branch of the C.P.R. Stoping operations will soon be started on No. 2 level. Meanwhile, a raise from No. 3 to No. 2 is up 108 ft., with about 60 ft. to go to connection.

* * *

Bralorne Output Up

Bralorne Gold production in July was the second highest this year, with 13,949 tons of ore handled, and 5,282 fine ounces produced. Value was estimated at $184,870, which is $2,800 more than in June.

* * *

Report Denied

Reports that North America Mining Co. was withdrawing from Gold Belt in the Sheep Creek area are denied. The company is proceeding with a 3,000 ft. crosscut tunnel, which a few days ago encountered a fault. North American Mining, a Boston concern, has undertaken to put more than $200,000, into Gold Belt development.

* * *

Goldside Assays

First assays of channel sampling over a length of 175 ft. on surface at Goldside Mining Co., Taylor Basin, are reported to show an average of $26 gold across widths of from 4 to 15 ft.

* * *

Meridian's Glory Hole

Further work is being done in the main glory hole of the Meridian mine in the Lardeau area. The location is to be mined for mill feed and should prove a wide body of milling grade averaging about $10 a ton, according to A. K. McLean, secretary-treasurer. Mining and development costs are not expected to run to more than $3.50 a ton. Meridian production in July was $8,377.

* * *

Sheep Creek's New Hoist

A new hoist capable of handling a shaft of 2,000 ft. depth has been bought by Sheep Creek Gold Mine. Reports from the mine are that the new Hideaway vein recently picked up in the schist formation by a crosscut from the fifth level of the main Queen workings has now entered the Reno quartzites and is showing assay values of 1½ ounces across a width of one ft.

Sorting the Mines

An Impartial Analysis of Listed Stock from A to Z

These little close-ups are aimed at giving The Financial Post's readers an inventory of the market today. In no sense are they to be regarded as exhaustive summaries. Each listed stock is being dealt with in alphabetical order as space permits.

Kerr Lake Mines

Kerr Lake now operates as a holding company, its chief interest at present being its share interest in Rimu Gold Dredging Co., a large placer operation in New Zealand. The management of Kerr Lake is centred in New York, although the stock was delisted from the New York Curb in July, 1935.

Kerr Lake Mines owns the entire authorized capitalization of Kerr Lake Mining Co. The latter company was incorporated in 1905, with an Ontario charter, to develop a silver prospect at Cobalt. With the high grade silver deposits largely exhausted, active exploration, however, ceased in 1923.

The future of Kerr Lake Mines appears to rest at the moment on the future of its New Zealand subsidiary. Here, reserves of dredging gravel have been roughly estimated at 25 million cubic yards, subject to further drilling to obtain more exact figures. On the basis of past extraction, this would represent approximately 154,000 ounces of crude gold.

In 1935, par value of the Kerr Lake stock was written down from $4 to $1 in keeping with the writing down of shares of the subsidiary, Kerr Lake Mining Co. This made possible payment of dividends to amount of 20 cents per share in the 1935 fiscal year, and 5 cents per share to date during the current fiscal year. These payments, of course, represent largely a return on capital, the company having no regular dividend rate.

Authorized capitalization of Kerr Lake is now $600,000. in $1 par value stock. All of this is outstanding. At the end of the last fiscal year, August 31, 1935, working capital amounted to $76,204 as compared with $150,239 at the end of the previous fiscal period. The decrease was due largely to dividend disbursements, although this was offset partially by the acquisition of $20,041 of U.S. treasury securities.

Price Range of Stock

	High	Low	Last
1935			
Common	.75	.40	.50
1936			
Common	.65	.40	.63

Kirkland Hudson Bay Gold Mines

As far as its original property goes, Kirkland Hudson Bay's speculative appeal appears to rest entirely on the possibility of proving, at depth, extensions or continuation of the main Kirkland Lake system. Proof of such a condition is a long way from being attained, and it remains purely an interesting speculative theory. Since Kirkland Hudson Bay Gold Mines is, however, controlled by its rich neighbor, Lake Shore Mines, it is reasonable to expect that this property will receive the thorough exploration at depth which it appears to justify. At the present time the property is being explored from the lower levels of Lake Shore.

In the meantime, Kirkland Hudson Bay has substantial investments in established producers, and is financing several prospects. At the end of April last, investments in mining companies were shown at a cost of $477,244. The president of the company, A. A. McKelvie stated at the time, however, that the actual market value approximated about twice that figure. Investments in established producers comprise an unstated number of shares in Lake Shore, Noranda, Teck-Hughes, Macassa, McKenzie Red Lake. In addition the company is financing, by means of stock options, J. M. Consolidated Mines, and Red Crest Gold Mines, both interesting prospects.

At the end of the last fiscal year, April 30, 1936, cash and accounts receivable amounted to $22,596. Bank loans and accounts payable amounted to $95,635. Taking book value of investments as a current asset, working capital at that date totalled $404,204.

All of Kirkland Hudson Bay's 3 million, $1 par shares are outstanding.

Price Range of Stock

	High	Low	Last
1935			
Common	.31	.20	.28
1936			
Common	1.75	.30	1.43

Kirkland Lake Gold Mining Co.

Kirkland Lake Gold Mining Co. has been producing since 1919, but was not able to put itself on a dividend basis until 1934, when an initial dividend of 3 cents per share was paid. In the fiscal year ended Dec. 31, 1935, earnings per share amounted to slightly over dividend requirements at $0.031 per share.

The company has built up a surplus position of $343,570, as at Dec. 31, 1935, from a deficit which existed at the end of 1928. Working capital position has also improved, amounting at the end of the last fiscal year to $378,932.

Apart from positive or broken ore, no estimate has been made as to ore reserves, owing to the nature of the occurrences. Broken ore at the end of last year totalled 33,648 tons, which, on the basis of last year's recovery, should grade in the neighborhood of $11 per ton. Costs last year, including depreciation, averaged $8.78 per ton.

Re-exploration is opening up new ore on the upper levels, due partly to higher gold prices. In the meantime, depth development, which has made this property one of the deepest in Canada, is in abeyance.

Kirkland Lake's investment portfolio includes 360,000 shares of Kenty Gold Mines, which is of current speculative interest through Kenty's holdings in Argosy Gold Mines, the new Patricia producer.

Kirkland Lake has an authorized capitalization of $5.5 millions in $1 par value stock. Of this amount, $5,239,123 is outstanding.

The company enjoys first rate management, and while its non-operating income is at present comparatively small, its holdings in Kenty Gold supply a potentially important source of non-operating revenue. In the meantime there appears to be no reason why the company cannot continue to earn itts dividend requirements.

Price Range of Stock

	High	Low	Last
1935			
Common	.65	.33½	.50
1936			
Common	.94	.40	.59

Shenango Puts Mill Rate On 40-50 Ton Daily Basis

Shenango Gold Mines, at Oba in the Algoma district, reports installation of additional equipment has been completed, and its mill rate has been increased to between 40 and 50 tons per day. The company is now working on its new schedule of 24 hours per day, 7 days a week, with a crew of 50 men. Louis Normandin, president, states mill heads after eliminating free gold are averaging approximately $15 in gold per ton. At the present time, mill feed is being drawn from the 80-ft.-wide mineral zone which has been traced across the property for 2,600 ft. It is claimed diamond drill tests recently proved the downward continuation of the zone to a depth of at least 325 ft.

Buffalo-Ankerite Grade Shown Better in July

Buffalo-Ankerite Gold Mines reports recoveries for July were approximately $151,650, an increase over June without any particular increase in tonnage. The crosscut from the main shaft to the Norrison zone 1,050 level is within 115 ft. of completion. Alterations and changes at the south mill have been completed, and it is anticipated this mill will increase its tonnage during August.

Reno Output

Reno production for July was about $11,800 lower than in June due to interruption caused by a broken pinion in the tube mill, which has now been reparied.

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Reward's Surface Showing

Reward is said to have struck a fine surface showing near the northwest boundary line of Minto.

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LIMITED
(No Personal Liability)

INCORPORATED PURSUANT TO THE COMPANIES' ACT (ONTARIO) PART XI.

CAPITALIZATION
Authorized - 3,000,000 shares of $1.00 par value
Vendors' Shares and Shares Previously Sold - - - 1,500,000
Shares Underwritten and Now Offered for Sale - - - 200,000
Shares Remaining in Company's Treasury - - - - 1,300,000

PROPERTY AND DEVELOPMENT
The property of Roeanor Gold Mines, Limited consists of 25 mining claims (approximately 1,000 acres) in the Pickle Lake-Crow River Area, Patricia portion of Kenora District, Ontario, 125 miles northeast of Sioux Lookout. They adjoin the Springer Group of Central Patricia Gold Mines, Limited and are but one-quarter mile south of Winoga Patricia Gold Mines, Limited and Albany River Mines, Limited. These claims, previously known as the Jeffries-Swartman claims, were purchased from a strong group who had held them for auspices which would ensure aggressive and capable development.
Mr. L. K. Fletcher, M.E., former General Superintendent of Noranda Mines, Limited, has assumed direction of the development of the property and will be the President of the Company.
Mr. Joseph N. Robinson, M.E., of Sioux Lookout, has examined the properties, reported favourably under date of July 4th, 1936 and has recommended that the structure and occurrences be thoroughly explored. An augmented crew of men are carrying forward the work already done, are developing Mr. Robinson's recommendations and preparing for an intensive diamond drilling program which will be carried out under Mr. Fletcher's supervision.
Mr. Robinson's report, which contains complete details as to the claims, geology, power and accessibility, is reproduced verbatim in the offering circular.
The excellent location of these claims, being adjacent as they are to Central Patricia and Pickle Crow which are already paying dividends, together with the fact that the quartz showings already found so closely resemble the quartz of the promising Springer Section of the Central Patricia, indicate the shares of Roeanor Gold Mines, Limited as an attractive speculation.
The Company having already received payment for same, the proceeds of the shares now being offered will not go into the Treasury of the Company.

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The Millstone of Relief

By Charlotte Whitton, O.B.E.

Canada Paying out $200 Millions Annually For Welfare Work Without Definite Policies

Canadian policy toward relief and dependency in the last decade and a half might be expressed in the one word. "Drift."

Charlotte Whitton, O.B.E.

"Drift," until the pressure of the popular vote, especially of the women electorate, forced the too frequently hurried, last minute provision of some measure, admittedly often overdue, but for which the country or the province concerned was quite unfortified with accurate information as to implications, costs, standards or administrative provisions. "Drift" as to forecasting of the actual relation of the costs of the measures proposed to the taxing capacity or even the resources of the authority providing them.

In most of the provinces, it was assumed that the bonanza of profits through the publicly controlled sale of liquors was certain to continue and increase just as rapidly as good roads could be built and a rollicking tourist traffic flow over them.

Were Given Warning

In 1928 and 1929 warnings were sounded that an almost inevitable change of legislation on the liquor question was coming in the United States and "What would poor Robin do then?" Different governments and large municipalities were urged from various sources to put their houses in order; to explore the measures they were adopting in such haphazard fashion; and to satisfy themselves that these conformed to certain fundamental considerations.

First of all, they were urged to assure themselves that these measures would be effective in the special circumstances in which they were to be applied, however successful they had proved elsewhere; secondly, that provision should be made for informed administration under competent and experienced staff; and thirdly, that once enacted, they should not be left to roll merrily along, a flaming text for the political orator, services sacrosanct to criticism or examination of their effect upon the problems they were designed to meet.

But that was not of a piece with the paeans of prosperity to which our national orchestration was tuned up in those years, with expansion the keynote in every phase of our life.

Little Planning

True, 2 or 3 of the provinces, which had embarked earliest on these more extensive programmes, and a couple of our cities where seasonal relief had been sharply recurrent, had already begun the sobering and salutary process of self-examination, and even in these years they have made steady progress in strengthening administration, removing abuses, and putting some of their social services on a generally sounder basis. But they were the exception.

It was useless to argue that the social services were but part of a whole great structure, that grave and vital things were happening in Canada that had been happening for more than a score of years in older industrial countries, that a long range comprehensive view was necessary and that public authorities and private welfare services should be planning for humane and sound handling of the country's accumulating problems in social adjustment and dependency. Canada was prosperous; the social services were new and popular, what was required to finance them was a mere bagatelle to this "young country with its unlimited resources."

So there was little study, less planning and almost negligible recognition of the recurring problems of grave significance that were calling for patient examination and basic measures for prevention, treatment and control.

Unemployment Relief

Unemployment relief will serve to point the tale, as well as any other example.

Canada had known "hard times" at different periods in her story but with the collapse of world purchasing power following on the war, and the return of her fighting men and of the thousands engaged in the munition industry and other wartime activities, an unprecedented situation arose. And in Dec., 1920, the Dominion Government adopted the policy of federal grants-in-aid to local authorities for emergency relief. On January 24, 1921—a date that will prove of significance in social history in Canada—the Dominion Government authorized (P.C. 139) the appropriation, by Governor-General's warrant, of half a million dollars "to pay one-third of the emergency relief disbursed by the municipalities," on the submission that "a number of cities have, during the past month, been affording relief to needy people who could not be supplied with employment."

Old Policy Reaffirmed

The succeeding government continued this policy protecting itself in its submission (under P.C. 191—January 25, 1922) by reaffirming that "the question of unemployment relief is fundamentally a municipal and provincial responsibility; that the abnormal economic and industrial conditions now existing and arising in a measure out of the late war alone afford justification for action on the part of the Federal authorities." In another Order-in-Council (P.C. 220, February 5, 1923), this principle was again affirmed.

For the next 3 years, general conditions rendered special federal aid unnecessary. But in March, 1926, special provision of federal aid was again needed, and again extended on the same assumption of emergency aid in emergency conditions (P.C. 515, March 2, 1926).

Again, there was an improvement and federal aid is "off the record" until the special session of Parliament and the provisions of 1930, enacted with the traditional insistence that federal participation should be on an emergency basis only. Under the special relief legislation, from September, 1930, to May 31, 1936, total expenditures of federal, provincial and municipal governments, railway projects, etc., have exceeded $580,000,000 and by the end of August will probably be over the $600,000,000 mark. The Dominion share of this expenditure runs about $215,000,000.

Elements of Permanency

Thus, in the 15 years since January, 1921, the Dominion Government has contributed to the relief of dependency arising from unemployment, on the ground of aid in unusual or emergency conditions only, but these conditions have recurred in 11 of these 15 years.

In that time, the handling of the problem has been left primarily to Canada's 4,200 different municipal units of government, but in spite of valiant drifting, all but 2 provinces have been forced to assume much more definite responsibility and supervision of relief practice in their areas. Two have made marked progress in this direction; several others are moving less effectively, and 2 others are still drifting prayerfully. Only within the present year has there been federal recognition that the situation does involve certain disturbing elements of permanency, demanding study and action on the basis of definite Dominion responsibility for the organization both of employment and relief. Now, in a world shaken in an economic storm, so close are we to the shoals that skilful, responsible seamanship must replace drift: there is no other way out or undoubtedly we Canadians would have chosen it, with blithe and happy resignation after so much stress.

False Security

And that now is our gravest danger: this tendency to slip into a feeling of resigned security just because a National Employment Commission has been appointed; just because "things are coming back"; just because so many in all ranks of Canadian life believe that, once we "put the population to work"—simple little task, that, too,—all other problems in relief and dependency will melt away in the warmth of that happy attainment. And yet, it is probable that Canada is facing the worst winter she has ever known, particularly in Western Canada, and especially in the mounting volume of aimless, unestablished men, young men, thousands of them, vitiating in homes on relief, wandering the routes of transport, or haunting the streets and parks and missions of our great cities.

350,000 Jobless

Putting the population to work is not such a simple thing as we would fain believe of those satisfying words. The unemployed able-bodied on relief alone number 350,000, without any calculation of the able-bodied unemployed who are somehow maintaining themselves.

The problem is great. First, production in agriculture and industry must be substantially reorganized; part of that reorganization we know to be within their own control, but tragically the major part is dependent upon greater forces, particularly world demand for our products and the complicated mechanism of international credit and markets.

The full measure of our unemployment must be known and that means all our idle **not on relief,** as well as those who have been driven to public dependency. That involves an energizing and extension of our employment services throughout the Dominion.

The Basic Situation

Fundamental changes have taken place in Canada, and these must be faced,—the fact that our capital plant has been so largely constructed in advance of our reasonable future requirements, that electrification and mechanization have profoundly affected the extent and nature of employment demand; that this mechanization has extended to agriculture, and that the replacement of the "harvest help" by the tractor has added to the problem of seasonally workless, homeless men, and to the unemployment of semi-trained female domestic help on the farm. These problems have been gathering volume, especially in the West, ever since the disappearance of accessible free land available for homesteading.

Recent years have shown, too, the grave extent of our problem arising from agricultural settlement on land that has been proved untenable, while the urban trek has meant the abandonment of much good land in settled and populous districts. Agricultural adjustment and resettlement are intimately related to our dependency problems.

Our educational services have tended to produce a "white collar" or middleman group in excess of requirements and probably an under supply of skilled artisans and proficient manual workers.

Tens of thousands, long on relief, have lost their skill, or because of age or physical impairment have passed beyond likelihood of reestablishment on a full self-supporting basis. And always we have had a heavy seasonal unemployment with resultant need in Canada, especially in our western cities.

The cities of Vancouver and Winnipeg had had public welfare divisions long prior to the depression; the latter in fact had never been able to disband its Civic Unemployment Committee after 1920-1.

Working For Years

The private social agencies of Toronto, Montreal, Ottawa, Hamilton, Halifax and several other cities had long and honorable stories of service to a heavy, recurring volume of dependency due to unemployment every year, while several of the provinces budgetted annually for "relief of the destitute in unorganized territories" and the Maritime Provinces had made provision for decades for "poor relief."

These phases of the problem have not disappeared, they persist in extent and nature. The organization of the measures and services designed to treat them bear inescapably upon the problems of unemployment relief, as do the provisions made by province or municipality for the relief of need due to other causes, for the care of the dependent aged and infirm, of needy mothers and their dependent children, and of neglected and homeless children, and for the extensive problem of medical and health service for the dependent sick in home or hospital.

Little Work Being Done

Yet, such has been our tendency to drift, that even today, very little is being done within most of the provinces and municipalities to assess and relate these problems, and to correlate the facilities and services created to meet them with the intimately related problem of relief due to unemployment.

Now, when it is planned to attack the problem of employment, unemployment and relief vigorously and along the entire front, has the time not come for Canada to face up squarely both to it and to these related phases and to cry an end to drift in her attitude toward this whole problem of social dependency, involving on a reasonable estimate the lives of some 1,800,000 Canadians annually at a direct cost of some $200,000,000 to a country of less than 11,000,000 inhabitants?

"In a world shaken in an economic storm, so close are we to the shoals that skilful, responsible seamanship must replace drift."

Miss Whitton Writes from Authoritative Background

Drift...............

This has been the keynote of Canadian policy toward relief and dependency in the last decade and a half, says Charlotte Whitton, O.B.E., in this challenging article on Canada's relief and social problems.

So close are we to the shoals, she warns, that skilful, responsible seamanship must replace our present attitude. She calls on Canadians to face squarely the challenge of 1,800,000 socially dependent Canadians who are costing this country $200 millions annually for various types of social aid.

She warns, too, against the danger of a false sense of security now that we have a National Employment Commission and because things are "coming back" and outlines some of the major tasks which must be met and faced by individuals and communities before we can face the future with confidence.

Charlotte Whitton is one of the most outstanding personalities in Canadian public life today. From a background of brilliant accomplishment at Queen's University she entered the social service arena in 1918; was private secretary to the minister of trade and commerce at Ottawa for 3 years and since 1925 has made a striking contribution as executive director of the Canadian Welfare Council (formerly Canadian Council of Child and Family Welfare). Few men or women in Canada have such a keen, intimate knowledge of national problems from a social point of view.

In succeeding articles for The Financial Post, Miss Whitton will discuss individual phases of this major problem of social reconstruction in Canada.

Car Imports Soar

Automobiles imported into Canada during June were valued at $687,818 compared with $238,809 a year ago. The U.S. led in volume with $639,401 and the United Kingdom shipped automobiles to the value of $48,417 during the month. U.S. automobile imports totalled 894 machines compared with 61 from the U.K.

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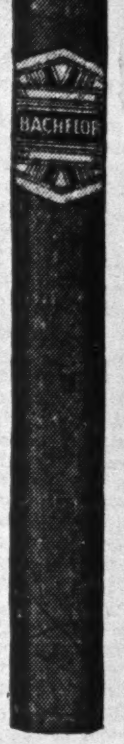

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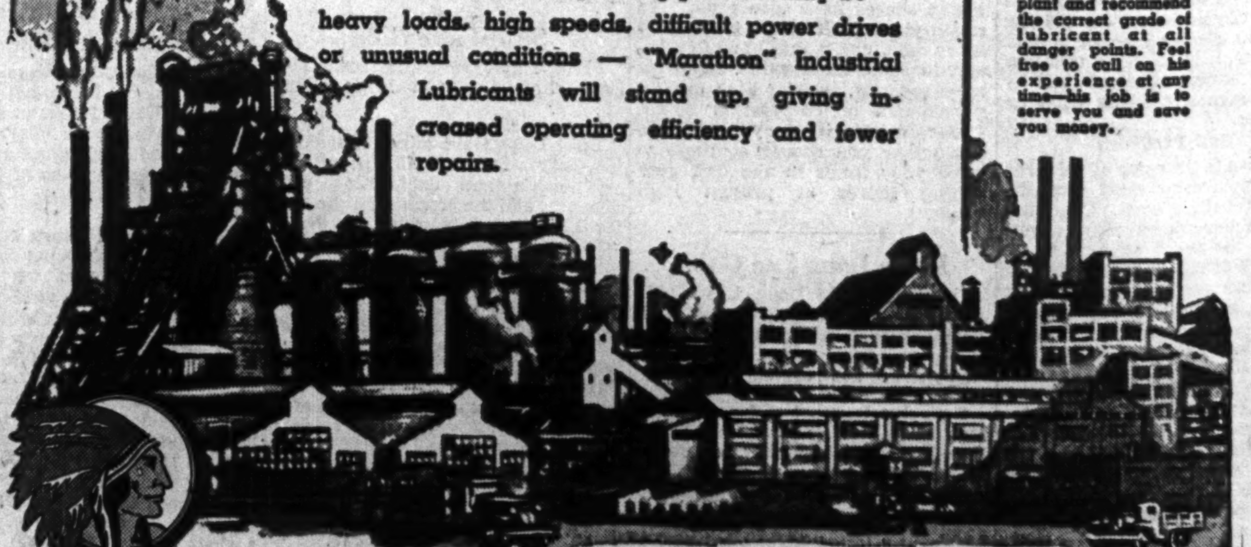

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